

FINANCIAL TIMES

West Germany's social contract shows the strain, Page 14

EUROPE'S BUSINESS NEWSPAPER

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Table with exchange rates for various countries including Australia, Canada, Hong Kong, etc.

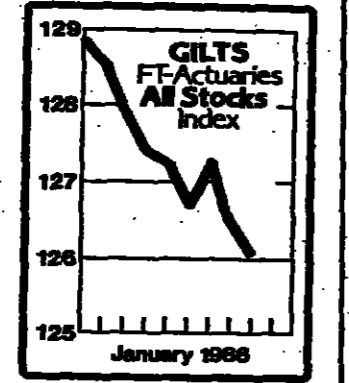
World news Business summary

S. Yemen rival factions fighting

Fighting raged in Aden, capital of South Yemen...

E F Hutton reshuffles senior executives

E. F. HUTTON, big Wall Street brokerage firm...



GILTS were hit by anxiety over interest rates...

Beirut ceasefire

Troops enforced a ceasefire in east Beirut...

Egypt welcomes plan

Egypt gave a qualified welcome to a plan by Israel...

Terrorists warning

The head of the largest Dutch police unit...

Candidate 'bugged'

Portuguese police are investigating the discovery...

Turkey plea to EEC

Turkey is calling on the EEC to revitalise its relations...

Hersant victory

French right-wing press magnate Robert Hersant...

Pilgrims die

At least 17 Hindu pilgrims died on an island in the Ganges river...

Doe opens borders

Librarian President Samuel Doe ordered the immediate reopening...

Spanish bombs

A bomb exploded under a French lorry in the Spanish border town...

Libya aid claim

Israeli Foreign Ministry Director-General David Mimche...

Guatemalan amnesty

Guatemala's outgoing military rulers decreed...

Smuggling charge

Polish police in the Baltic port of Gdansk arrested a Pole...

Thatcher prepares counter-attack in Westland row

BY PETER RIDDELL, BRIDGET BLOOM AND LIONEL BARBER IN LONDON

MRS Margaret Thatcher, the UK Prime Minister, was last night preparing to counter-attack over the Westland affair...

In other developments yesterday, an unnamed buyer raised his stake in Westland...

UK and Saudis agree to discuss oil prices

By Roger Matthews in Riyadh and Max Wilkinson in London

BRITAIN AND Saudi Arabia agreed yesterday to hold talks about oil issues...

London acts to peg cost of borrowing

BY PHILIP STEPHENS AND GEORGE GRAHAM IN LONDON

THE BRITISH Government yesterday took decisive action to head off a further rise in borrowing costs...

EEC reform may go to referendum in Denmark

BY HILARY HARRIS IN COPENHAGEN AND QUENTIN PEEL IN STRASBOURG

DENMARK is to consider holding a referendum on the reforms agreed by European Community heads...

That has to be a unanimous decision of all member states. A rejection is therefore likely to precipitate a real political crisis...

Boeing plans propfan engines for bigger jumbos in 1990s

BY CHRIS SHERWELL IN SINGAPORE

BOEING of the US, the world's leading aircraft manufacturer, yesterday announced a radical proposal...

cornerstone of the aircraft would be the 'ultra by-pass ratio engine' being developed for the 777.

Eastern losses top \$67m in quarter

BY TERRY DODSWORTH IN NEW YORK

THE SUDDEN deterioration in the performance of Eastern Airlines...

The company's future was severely threatened in the early 1980s by a long run of deficits.

Table with sections for Europe, America, Overseas, World Trade, Britain, etc.

Table with sections for Turkey, Mexico, Japan, Technology, Editorial comment, etc.

Advertisement for Standard Chartered Bank featuring the slogan 'MORE LOCATIONS. FEWER DISLOCATIONS.' and 'That's the difference with Standard Chartered'.

EUROPEAN NEWS

EEC industry more hopeful about boosting employment

INDUSTRIALISTS IN the European Community are showing themselves increasingly ready to provide more jobs...

Court backs French newspaper chief

THE RIGHT-WING French press magnate Mr Robert Hersant yesterday won the first round of his legal battle with the Government over the future of the Progress de Lyon newspaper...

MEP accused of being IBM's messenger boy

THE WIDESPREAD practice of industrial companies lobbying in the European Parliament blew up into a full-scale row yesterday when a leading member was accused of acting as a "messenger boy" for IBM...

Lisnave agrees truce with unions

LISNAVE, PORTUGAL'S heavily-indebted ship repair yard has gained union agreement to avoid industrial action for a year in return for which it will pay employees at least Es 25,000 (£109) a month.

David Barchard reports on the Turkish PM's future Opposition efforts fail to loosen Ozal's grip on political power

TWO YEARS after taking office, Mr Turgut Ozal and his Motherland Party dominate Turkey's political scene almost effortlessly, but stirrings of effective opposition have begun among the politicians displaced by the military in 1980.



Turgut Ozal... leading a strong and united party

The social democrats have emerged as Mr Ozal's chief opponents but with a split opposition they stand little chance of winning an outright majority.

Mr Demirel and Mr Ecevit are addressing their followers in the daily newspapers, staging public visits to towns and engaging in other political lobbying. Mr Demirel has had the support of the True Path Party since the past two years.

Jobs at risk in Denmark's shipyards

DANISH SHIPYARDS will be hit by a wave of dismissals over the next few months. The Odense shipyard, owned by the A. P. Moeller shipping, oil and industrial concern, is to lay off 1,200 of its 3,000 labour force before the summer.

Alliance embargo

Any trading with North Korea by US companies or individuals has been illegal under US law since the Korean War of the early 1950s. But, until April 1985, this sort of "dual-use" Hughes helicopter does not appear to have been on the Western alliance embargo operated by the Paris-based Co-ordinating Committee (CoCom).

Advertisement for Berlitz language courses. "I studied French for years but I still can't speak it." For those who really want to speak a language. Berlitz now offers special 3 week full time crash courses...

Advertisement for a deal. "NOW! SHOW US A DEAL- WE'LL SHOW YOU A BETTER ONE". If you've decided to buy a cellular phone from another company - phone us before you do and we'll explain why a great price doesn't always mean a great deal.

Advertisement for a cellular phone. SPECIAL OFFER FROM £7.99 PER WEEK. Includes details about the phone and the offer.

Advertisement for DIRECT CELLULAR. The most experienced Cellular installer. Call 021-643 8899. OR LONDON (01) 446 8132. London lines also open Sundays 10.30-12.00.

Ankara seeks to revive association accord

TURKEY HAS written to the governments of European Community member states calling for an early meeting of the Turkey-EEC association council.

Mubarak counsels Craxi on peace initiative

THE Italian Prime Minister, Mr Bettino Craxi, yesterday made a three-hour visit to Egypt, where he had talks with Mr Hosni Mubarak, the Egyptian President.

Norwegian bank seeks credit ruling exemption

OSLOBANKEN, the small, 18-month-old Norwegian commercial bank which has operated with considerable success, has asked Mr Rolf Presthus, Minister of Finance, if it can be exempted from the credit regulations imposed on Norway's commercial and savings banks last week.

Go-ahead for joint ventures

THE POLISH Government has presented a new joint-venture law aimed at encouraging Western capital investment in the country for approval to Parliament.

Polish industrial output slows down to 3.8%

PRELIMINARY figures for 1985 published by Poland's statistical office show a slowing rate of industrial output against a background of strong pressure from industry for capital investment and from the population for income growth.

Helicopter parts take off for the East

A GERMAN prosecutor in West Berlin and allied officials are investigating one of the most bizarre cases to date of illegal transfers of high technology to North Korea.

Anti-tank missiles

A West German company producing anti-tank missiles which could be fitted to the helicopters told SFB that a few months ago it was visited by a North Korean diplomat who expressed interest in purchasing them.

Irish line wins over workforce

B&I, the loss-making Irish state shipping line, has reached a last-minute agreement with its workforce on a radical restructuring plan which the company says secures its future, writes Hugh Carney in Dublin.

Anti-tank missiles

The Hughes company produced a sales promotion film in which it extolled the ease with which its 500D helicopter could be converted to transport a documentary film shown by the SFB station last week claimed that several hundred of the same helicopters were used by the South Korean air force to transport US troops.

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مكتبة الأهرام

OVERSEAS NEWS

PRESIDENT BADLY WOUNDED IN ASSASSINATION BID BY PRO-MOSCOW HARDLINERS

South Yemen power struggle unresolved after coup attempt

BY RICHARD JOHNS

THE POWER struggle within the Marxist régime of South Yemen was still unresolved yesterday evening and the country's armed forces appeared to be badly divided, as fierce fighting continued around the port of Aden.

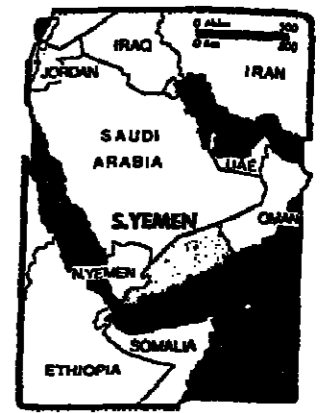
They had little doubt though of the show-down in the People's Democratic Republic of Yemen (PDY) was related to the direction of the foreign policy of the former British colony of Aden and protectorate of South Arabia.

There was no certainty yesterday that Abdul Fattah Ismail, the hardline pro-Moscow ideologue and three other leading members of the Yemen Socialist Party's leadership had been executed on Monday.

Minister of Local Administration, and Mr Ali Shaybi, a ranking member of the ruling party, Abdul Fattah Ismail, one of the foremost leaders of the struggle against the British and the strong man of the regime in the 1970s, succeeded Ali Nasser Mohammed as President in October 1978 but resigned because of "poor health" in April 1980 after being ousted from power.

Thereafter Ali Nasser Mohammed visited Saudi Arabia and made moves to integrate the PDY more fully with the Arab world as a whole. Towards the end of 1982 his regime signed a Kuwaiti-sponsored agreement with Oman formally ending a decade and a half of hostility and aimed at establishing diplomatic links.

He was believed to have been pressing for reforms and changes in policy. Brig Ali Ahmed Nasser Antar had responsibility for defence taken from him in 1981 and thus seemed to lose his power



base in the armed forces. He was known for his pronounced pro-Moscow leanings but was believed to have had some friction with Soviet military advisers.

Mobil International Finance Corporation U.S. \$35,000,000. 7% Guaranteed Bonds 1986

NOTICE IS HEREBY GIVEN that pursuant to Condition 2 of the Bonds, \$2,353,000 aggregate nominal amount of such Bonds, having the following serial numbers, have been redeemed on February 15, 1986 at the redemption price of 100% of the principal amount thereof:

Table with columns for Bond Number, Serial Number, and Amount. Lists specific bond details for redemption.

The Bonds specified above are to be redeemed (a) at Citibank, N.A., Bond Services, 5th Floor, 111 Wall Street, New York, N.Y. 10043 or (b) subject to any applicable laws or regulations, at the main offices of Citibank, N.A. in London, Frankfurt/Main, Milan, Paris, Rome, Madrid, Athens, Geneva, Zurich, and other cities.

MOBIL INTERNATIONAL FINANCE CORPORATION By: CITIBANK, N.A. January 15, 1986 Principal Paying Agent

NOTICE Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Paying Agent has the correct tax identification number (social security or taxpayer identification number) or exemption certificate of the Payee.

Army guards key Beirut points after 21 killed

Lebanese army troops yesterday were deployed at key Beirut intersections leading to the Mater mountains after Christian militias claimed 21 lives in the worst violence in the city this year.

Incidents such as the shooting down of the Korean airliner in September 1982, merely served to remind Japan that Soviet intentions were not necessarily benign.

UK questions Iran Britain is asking Iran why its navy stopped a British ship in the Persian Gulf on Sunday, the UK Foreign Office said yesterday.

Soviet executions The Soviet military authorities in Afghanistan have recently executed soldiers for disobeying orders.

US 'backs Nigeria' Mr Bolasi Akinyemi, Nigeria's Foreign Minister, said yesterday that the US Administration endorsed his Government's austerity plan for 1986.

Ver to retire Philippine President Ferdinand Marcos yesterday said Gen Fabian Ver, the armed forces chief, probably would "retire" before the February 7 presidential elections.

Shevardnadze aims to end the freeze in relations with Japan

BY JUREK MARTIN IN TOKYO

JAPAN is not accustomed to having Soviet foreign ministers descend, invited on its doorstep, as Mr Eduard Shevardnadze will do today.

There have been exchanges between ministers, mostly in Moscow or on neutral territory such as the UN, but relations between the two countries have for the most part been frozen in indifference.

Even trade, usually a cornerstone of Japanese foreign policy, has become relatively unimportant. In the Japanese view its compliance with US sanctions against the Soviet Union in the wake of the invasion of Afghanistan caused it to fall well behind Western Europe in selling to the Soviet Union.

That he should come to a country which his venerable predecessor, Mr Andrei Gromyko, chose not to visit for

so long is noteworthy; that it should be months after the Reagan-Gorbachev summit is, by the past standards of Soviet behaviour towards Japan, positively flattering to his hosts.

There has even been the tantalising, though possibly illusory, hint of bilateral substance as well as symbolism. This came in the form of a veiled suggestion from the Soviet side that the big bone of contention between the two nations—sovereignty of the four northern islands occupied by the Soviet

Union since the last war—might not be as intractable as has long appeared.

This was forthcoming in a meeting at the end of last year between Mr Shintaro Abe, Japan's Foreign Minister, and Mr Evgenii Primakov, a foreign affairs specialist said to be close to Mr Gorbachev.

Japan held out for the return of all four, a peace treaty has never been hammered out, and the issue subsequently became frozen.

Japanese officials appear far from clear if Mr Primakov was being serious (that is, making a genuine overture to Japan) or mischievous, in trying to promote domestic Japanese discussion.

But, in the broader sense, the Japanese side seems to sense that the advent of Mr Gorbachev has changed—in ways as yet only to be guessed at—the Soviet approach to Japan, both as a sovereign nation and as an ally of the US.

The actual business Mr Shevardnadze will conduct is likely to be the mundane. The long bilateral estrangement has meant that many of the bricks and mortar of relationship—cultural, economic and technical co-operation agreements—do not exist.

Mr Shevardnadze might find in making his economic and technical pitches. There is an industrial, though recently muted, industrial lobby here for more trade with the Soviet Union.

Finally, Mr Nakasone would undoubtedly like to pay an official visit to Moscow, which has been the political season gets too complicated in the autumn when his job as party leader and therefore Prime Minister, is on the line.

Australia's current deficit rises

By Michael Thompson-Noel in Sydney

AUSTRALIA recorded a current account deficit of A\$1,030m (€494m) last month, boosting the six-month deficit to A\$5,919m or A\$1.2bn more than the current account deficit for the corresponding half-year to December 1984.

The figures are a severe disappointment to Mr Bob Hawke's Labor Government and may exert further strong pressure on the Australian dollar, whose crucial trade-weighted index (TWI) fell by 25.3 per cent in the 12 months to the end of last month.

Yesterday, the Australian dollar had a cent lower at 68.8 US cents, while the TWI (May 1970=100) lost 0.3 to 61.6, against 60.7 at end-December.

Mr John Howard, the Opposition leader, claimed the balance of payments figures were "disastrous" and said the Government would have to re-evaluate its wages policy, claiming that productivity was being harmed by high pay awards.

Yesterday's glut trade figures follow this week's warning by the Business Council of Australia that continuation of recent growth rates could lead to a sharp rise in inflation by the end of the year.

Net apparent capital inflow in December was A\$655m, but the level of official reserve assets fell by A\$240m to A\$12.2bn.

Aviation standards in region 'inadequate'

BY CHRIS SHERWELL IN SINGAPORE

THE Asia-Pacific region has some of the world's least-advanced and most unregulated airports and navigational environments, an official of the International Civil Aviation Organisation (ICAO) declared yesterday.

The stark warning came from Mr Duane Freer, director of the ICAO's air navigation bureau, on the second and final day of a Financial Times conference in Singapore on Aerospace in Asia and the Pacific Basin.

It is only a slight exaggeration to say that, today, elegant technology advanced aircraft flying over the speed of sound are being serviced by devices, techniques and personnel that operate, if at all, at the speed and sophistication of ox-carts and rickshaws, he said.



On the development of new technology, "undetected" engines, Mr Edward Bavaria of General Electric's aircraft engine business group said the US commercial engine "excellent series of new high-bypass commercial engines with applications across a broad range of Boeing, Airbus Industries and McDonnell Douglas aircraft."

Examining the development of regional air transport, Mr John Glascock, commercial director of British Aerospace, looked ahead to an expansion of regional and short-haul services as inter-continental operations matured.

The resulting need for different types of aircraft, he said, was the reason the BAe 146 regional jet was conceived, and why a new breed of pressurised turboprops was becoming available.

On the outlook for tourism in the Asia Pacific region, Mr Alvin Zeiss, chairman of the Pacific Leisure group of companies, acknowledged that economic growth was weakening in the region.

Mr Raymond Albright, vice president for Asia at the Export-Import Bank of the US, discussed the financing of civil aviation in the region. He argued that understandings reached by the OECD group of industrialised countries on government support for aircraft financing "should yield real benefits to buyers, financiers and governments."

Eximbank itself, he said, played a critical role in many sales by providing competitive financing to offset government export credit to other countries. These days private financing could sometimes only proceed with government guarantees and the bank was now increasing its flexibility of its financing operations, swapping different currencies, swaps and lease transactions.

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WORLD TRADE NEWS

Three electronics majors to invest Pta 19bn in Spain

By TOM BURNS IN MADRID
SPAIN'S electronic sector received a boost yesterday when three multinationals separately announced investment plans totalling Pta 19bn (287.4m).

Tokyo grants soft loan for China oil project

By Robert Thomson in Feidng
JAPAN IS to grant soft loans of ¥35.8bn (£121m) for a joint oil development project in the Bohai Sea off the northern coast of China.

Japan and US may widen trade talks

BY JUREK MARTIN IN TOKYO
JAPAN and the US are certain to continue negotiations designed to prise open further the domestic Japanese market in spite of the nominal conclusion last weekend of a year's bargaining on four selected product areas.

India set to decide on controversial pipeline contract

BY JOHN ELLIOTT IN NEW DELHI
INDIA IS expected to decide within the next few days whether to award a \$600m (£419m) pipeline contract to a consortium of French and Japanese companies in spite of strong protests from Canadian and Italian competitors that NKK, the main Japanese company involved, is not qualified to do the work.

Lada to unveil latest models in Brussels today

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
A NEW generation of Lada cars from the Soviet Union—front-wheel-drive hatchbacks developed by the VAZ organisation and refined by Porsche Engineering of West Germany—makes its world debut at the Brussels Motor Show today.

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A reminder

Company accounts for the period ending 31 March 1985 should reach the Registrar of Companies by 31 January 1986

This applies to any private company incorporated before 1 October 1984 which has an accounting reference date of 31 March unless it has an extension of time for delivery under section 242 of the Companies Act 1985.

Otherwise the directors will have committed an offence and may be prosecuted.

The Registrar is looking for the support of the accountancy profession in helping directors to meet their obligations.

COMPANIES REGISTRATION OFFICE Companies House, Crown Way, Maindy, Cardiff CF4 3UZ. Tel: Cardiff (0222) 388588.

See the complete range of Tandy computers at the Which Computer? Show January 14th-17th 1986, NEC.

THE ARTS

Television/Christopher Dunkley

Secrets and corruption flourish between the dancing Bluebells

The resurgence of the BBC continues apace. Admittedly ITV had a strong schedule last night with the opening episode of Central's drama series Boon and then, after the news, nearly two hours devoted to the awful and important subject of torture. However, between Christmas and last night the BBC has been overwhelmingly predominant. My notebook for the week ending January 12 shows that I watched 27 programmes on BBC1 and BBC2 and just six on ITV and Channel 4.

Of course while this proves that the BBC can, when it puts its mind to it, do just what it says it can — provide more popular programmes than ITV — it tells us little about the quality of the programmes, though it does show yet again that the popular belief about Christmas television being dominated by old movies is utter nonsense. Citizen Kane, Dita, The Great Race, The Great Escape, Arthur, Moonraker, Gregory's Girl, Supermen and many others were all beaten out of sight by special editions of television's own productions, such as Only Fools and Horses, All Creatures Great and Small and Telly Addicts.

But enough of 1985; what of 1986? In drama it would have been difficult for the BBC to maintain in the New Year the standard it was setting at the end of the old. Edge of Darkness was so good that we cannot match it for a while. However, BBC2's TV-film slot "Screen Two" opened promisingly on Sunday with The McGuffin, a splendid Hitchcock pastiche in which director Colin Bucksey had a wonderful time paying tribute to the master.

We had everything from parodies of the favourite Hitch camera angles (the floor-level pan which for some reason is so sinister) to a builder's mercurial moods in an amusing "Hitchcock and Co." There were two flaws: however much the production team enjoyed the trip to Italy the main effect of the Italian section of the drama was to slam the brakes on a hitherto runaway plot; and the notion that the dogs home would not bother to investigate the identity cylinder on the collar of a lost dog was ludicrous. That aside, The McGuffin was an enormous pleasure.

What is more, "Screen 2" has an even more outstanding, albeit less amusing, drama coming up a fortnight on Sunday. Frankie and Johnnie, written by Paula Milne and directed by Martin Campbell who made Edge of Darkness, is part of a sudden flood of drama about British secretiveness and corruption in high places. Others in the flood include Defence of the Realm and Dead Head which starts on BBC2 tonight. The central character in Frankie and Johnnie, as in the case of the Realm, is a tough and cynical newspaperman who for once is portrayed realistically and sympathetically. Hywel Bennett takes the part and gives the best performance I have seen from him. It seems in programme work staying in for. Other new drama series include Alice in Wonderland, a splendid Hitchcock pastiche in which director Colin Bucksey

had a wonderful time paying tribute to the master. We had everything from parodies of the favourite Hitch camera angles (the floor-level pan which for some reason is so sinister) to a builder's mercurial moods in an amusing "Hitchcock and Co." There were two flaws: however much the production team enjoyed the trip to Italy the main effect of the Italian section of the drama was to slam the brakes on a hitherto runaway plot; and the notion that the dogs home would not bother to investigate the identity cylinder on the collar of a lost dog was ludicrous. That aside, The McGuffin was an enormous pleasure.

On the other hand Frickley—The Changes, a five-part BBC2 series shown within a week, was remarkably effective in revealing a variety of attitudes and effects brought about by the miners' strike. In these programmes, made by BBC Manchester, the television crews did not pretend to be flies on the wall; they simply visited their subjects repeatedly during and after the strike and interviewed them straight to camera.

Sometimes the results were more telling than the subjects may have realised: all the talk of "loyalty" and "community" chimed oddly with the experience of working miners who found that loyal members of their close-knit community waiting till dark and then behaving in a way which was anything but loyal. It was an engaging series which might benefit from another episode in a year's time to discover whether prejudices are still carried, whether the housework has reverted entirely to the women and whether the miners' wives are still nipping down to London for consciousness-raising sessions with the liberal ladies of Hampstead and Highgate.



Carolyn Pickles as Margaret Kelly in "Bluebell"

Yet another BBC2 production, The Strange Affair of... turned out to be a James Burke type series presented by a "character" kitted out by Central Casting with a white beard and a Norfolk jacket and possessed of that irritating portentous style which seeks to inject significance into trivial banalities. He tried to turn the well known history of the genesis of "Frankenstein" into a mystery but failed.

In the arts BBC2 is yet again leading the way with Architecture of the Crossroads, a 10-part series which began on Sunday with a paean of praise to the post-modernists. The way in which the few architecture programmes of recent years have consistently editorialised in favour of post-modernism (most of which looks as like ordinary old modernism with weak jokes bolted on the top or painted on the sides) is quite extraordinary. If a single school attempted to hijack television programming on music or painting in a similar fashion it would be given short shrift.

Anna Steiger/Wigmore Hall

Miss Steiger, winner of the 1984 Richard Tauber Memorial Prize, offered a notably generous programme of songs on Monday night—two and a half dozen of them, in three languages, by six composers. She knew very well what they were about, and as performers they all gained by her assured, attractive presence. What they missed, rather a lot of the time, was sheer voice.

Miss Steiger's light soprano is good in parts, and mostly well-tuned (Wolf's "Die Spröde" is a cruel test of pitch, and she passed it confidently). Yet it never quite opened, in this recital: one waited, song by song, for the voice to find itself, and it didn't. There was always some constrictedness in the upper half of her range, and a worrying want of

secure support. When those things are sorted out, matters of diction may take care of themselves: tentative consonants left her German less than half intelligible, and Poulenc's patter-style was not remotely within her means. In the event, her Obtruders group at the end of the recital was much the happiest, with enough verve to compensate for occasional strain. Ravel's Greek songs, not altogether dissimilar, lost more by imprecise vocal colour—without easy insouciance, for example, "Tout gai" makes dull exercise. In German her shorter songs were more successful than those with a broader sweep and more complex emotions; Schubert's "Junge Nonne" and Wolf's "Geh, Geliebter" were pallidly

projected despite good intentions. Her Schönberg songs—the opus 2 set—were handled with the intelligence and care the voice been more firmly placed would have had real distinction. There and everywhere else Miss Steiger's accompanist, Pamela Lidiard, was pointedly intelligent almost to a fault: such a thoroughgoing accompanist is a rare thing, and her phrasing did not flatter her singer's more provisional delivery. Nor did she help the soprano to expand comfortably: Wolf's "Zigeunerlied" depends very much on a haunted, insinuating tone-quality, but Miss Lidiard positively jostled the singer along. I fancy that Miss Steiger needs to relish her own sound more, and it would help if her accompanist did too.

Trio Atalanta/Purcell Room

The members of the Trio Atalanta, two from Hungary and one Australian-born and resident in Britain, met two years ago at the summer school at Prussia Cove in Cornwall: Monday night's recital was their London debut.

They are an unusually well-matched ensemble, close-knit, warm toned, full of individual timbres. The violinist, Susan Meszaros, makes a thin but attractive sound, sweetly tuned, easy of phrase; Pal Banda's cello is big robust, full of glitter; the pianist Leslie Howard is inclined (as he is in his solo playing) to the broad splashy gesture—but his playing has irrepressible energy and buoyancy, and the sensitivity of a bona chamber performer.

Oriental treasures for Washington

The Smithsonian Institution of Washington, DC, has paid \$7m for the Vever collection of oriental miniatures and manuscripts. It is the most significant purchase in the history of the Smithsonian. The deal was arranged by the London dealer Michael Goodwin.

Vever, a Parisian jeweller who died in 1943, was one of the leading collectors of his age. It was feared that his collections were lost in the Second World War but his unrivalled group of Japanese prints suddenly re-surfaced, to be sold at Sotheby's in the mid-1970s. His 300 Persian and Indian manuscripts and miniatures have not been seen in public since 1931, but were, apparently, in the possession of a descendant.



Elisa Richards, Mark Ryan and Simon Green

Table with financial data under the heading 'BASE LENDING RATES'. It lists various banks and their respective interest rates for different terms.

Arts Guide

Arts Guide section providing listings for Theatre, Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday, and a selective guide to all the Arts appears each Friday. It includes listings for various theatres like the National Theatre, Royal Opera House, and others, along with specific plays and performances.

Elmer Gantry/Gate, Notting Hill

The hypocritical preacher hero of Sinclair Lewis's 1927 novel is one of the many roles made for and missed by Orson Welles, although Burt Lancaster did win an Oscar for his 1960 film performance. In the tiny Gate above the Prince Albert pub in Notting Hill, there are moments in Steve Brown's new musical when Mark Ryan — burly, half-shaven, volatile and promiscuous — hints that all's evil that might have ended Welles.

Falstaff/San Carlo, Naples

Among the artistic directors of Italian opera houses, Roberto De Simone—in Naples—is the man with the most practical experience. He made his name, about two decades ago, when he formed the brilliant Compagnia di canto popolare, a group that performed—with rare brio and musicality—a repertoire of Neapolitan folk music for the most part un-familiar, discovered and prepared by De Simone himself a trained musicologist and graduate of the Naples Conservatory.

William Weaver

partially contradicted the previous two. Walls disappeared, a tree descended from the flies; a fence was a mere rural incidence. Again, the stage picture was charming, but irrelevant. I was told that it all looked splendid on television, where, oddly, a cramped production can expand, as a super-spectacular is diminished.

For the role of Falstaff, age is not necessarily a handicap. Mariano Stabile, peerless interpreter of the fat knight, must have sung it until he was 70. Sesto Bruscantoni—the Sir John in Naples—in his mid-60s had a more convincing voice to do the music justice. He also has the required wit, as he has demonstrated on countless occasions. But De Simone's direction seemed to constrain him. He was impeccable, but strangely dull. Against the suitably vehement Ford of Leo Nucci, Bruscantoni's character picked up some vitality; but it was lost again in the last act, where he should have dominated.

Experimental theatre favoured for Arts Council subsidy

The Theatre Enquiry, set up by the Arts Council under the chairmanship of Sir Kenneth Harbinger, is shaping up as the harbinger of a new era for British theatre, and Sir Kenneth was adamant yesterday that he expected any proposals his committee came up with to be implemented by the Arts Council.

It could mean a new set of criteria by which the Arts Council hands out subsidy. Sir Kenneth, a respected accountant, does not envisage any worthwhile increase in Government grant to the Arts Council in the immediate future. So it remains a question of priorities — and he favours devoting money to the new and the experimental at the expense of the established drama groups that receive cash because they have always been Arts Council clients.

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هيكل من الأهرام

TECHNOLOGY

Geoffery Charlish on an optical information signals device
Signal for a faster circuit

TEAMS AT the Plessey Company laboratories in Caswell, Northamptonshire, are on the way to developing commercial devices that will allow optical information signals to be handled and processed as easily as their older-established electrical equivalents.

Dr John Bass, director of research, expects samples of the devices, which are the result of Plessey private venture projects, to be on the market this summer.

Optical fibres have been in use for over 10 years in communications systems ranging from national telephone networks to military aircraft cabling. But although the information is in the form of light while it is transmitted from point to point, it is processed at the two ends of the line, and often at places in between, by conventional electronic circuits—the same as those in systems using electrical signals down copper cables.

Apart from the need for conversion between the two kinds of signal, it is also clear, with the high information capacity signals fibres are able to carry, that purely electronic circuits will be too slow in to-

morrow's communications systems. Within the computer-like systems that handle the signals, electrons travelling relatively slowly in lengths of copper might take too long to move electrical pulses from place to place, so that switched light beams travelling at 300m metres/sec will have to be used instead.

Teams at the University of Arizona and at Heriot Watt University in Edinburgh are hoping to speed computer operation by at least 1,000 times.

The Caswell researchers are mainly interested in finding ways of carrying out established communications functions optically. For example, information has to be impressed on the light beam, requiring devices called modulators. Streams of data from several sources at once often have to be united into a single signal, an operation carried in a multiplexer. Or light signals may have to be switched into different fibres to send them to different places.

To modulate light from a fibre, the basic electro-optic effect is used. The waveguide consists of a channel on the surface of

a gallium arsenide block which has been made by diffusing titanium into the surface. This gives the channel a sharply different refractive index, causing it to guide light down its length, just as a fibre does.

When metal electrodes placed to each side of the channel are subject to a voltage, the speed of the light wave can be increased and reduced.

The modulator device consists of two such channels, fed from the fibre and joined at the light input and output ends. Incoming light divides and experiences different delays in each channel due to different voltages which represent the information signal.

When the light unites again at the output, the two signals are not in phase and the output light intensity waxes and wanes in sympathy with the information voltage applied to the electrodes. The output light gets brighter and darker extremely rapidly, in sympathy with the signal, which might be anything from thousands of multi-plexed speech channels to high speed computer data.

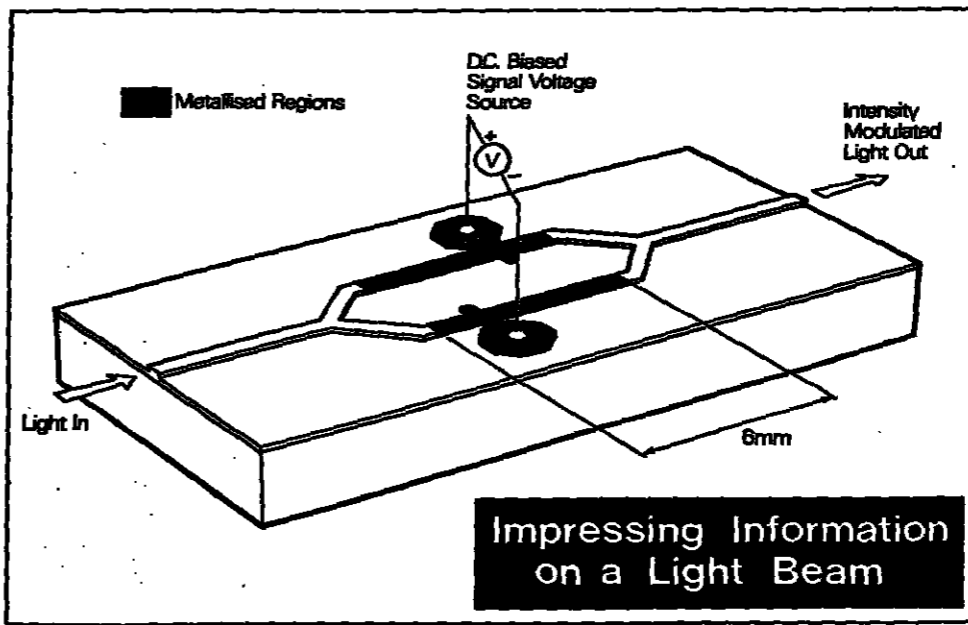
In another device produced by the Caswell team, which is headed by Mr Ian Bezzion, light

can be made to "jump" from one waveguide to another in a device constructed from lithium niobate. The guides run very close together and are enclosed by electrodes which, when supplied with a suitable voltage, will allow cross-switching between the two channels.

A similar system has been developed by Ericsson, but it produces switching between two input and two output fibres by altering the refractive index on the surface of the lithium niobate.

A paper given by two young researchers, Rosemary Cuth and Martin Goodwin, in the 1985 Caswell Annual Review, deals with work aimed at producing the optical equivalent of the logic circuits present on almost every semiconductor chip.

Such circuits are at the heart of computing, allowing binary logical processes to be carried out. In binary arithmetic, there are only two numerical symbols, 1 and 0, and any number can be represented by a string of them written in the correct order. So devices having only two states—"on" and "off," representing 1 and 0—are used to compute.



Impressing Information on a Light Beam

Any such "bistable" device developed for the very high digital pulse rates encountered in optical systems will have to be very fast. At the Plessey laboratories, devices have been developed based on several materials which will produce an output, or not, according to the presence or absence of two light inputs of particular brightness. The well known "AND"

and "OR" gates can be fabricated, operating in the case of lithium niobate materials in 50 billionths of a second. Devices several thousand times quicker than this have been produced in other materials like carbon disulphide.

Work is also in progress on logic devices using photochromic materials—those that

can be switched between two chemical forms by the application of light.

Apart from logic circuit applications, the technology is expected to be applied to image processing since, according to the laboratories, it can be used to address all the picture elements at the same time rather than sequentially, as in present systems.

EXCLUSIVE SCOOP
JCB
CONSTRUCTION EQUIPMENT

Progress in US on fuel cells

THE LOS ALAMOS laboratory of the US Energy Department reports good progress with work on fuel cells, battery-like devices which, when made commercial, will provide useful alternative power sources, particularly for propulsion.

Basically, fuel cells are devices which can turn chemical energy into electrical energy but which do not need re-charging like batteries.

The Los Alamos cell runs on wood alcohol. This is first converted to hydrogen and carbon dioxide. The hydrogen is run over platinum which has been deposited on very fine carbon particles.

The gas gives off electrons to generate a current in an external circuit in which, for example, an electric motor might be connected. The system continues to work as long as it is supplied with alcohol and the only by-product is water.

A potential drawback has been the cost of the platinum, but the laboratory has recently found ways of reducing the amount needed.

Grid Compass

THE COST of a Grid Compass personal computer with electro-luminescent display is more than £2,000 and not, as yesterday's Professional Personal Computers column seemed to imply, £2,250. The confusion was due to a transcription error.

TRAVELLERS from the UK planning to see Australia by train are being helped on their way by one of the most exciting developments in information technology—the expert system.

An offshoot of research into artificial intelligence, expert systems make it possible to capture the experience of an authority on a subject and make it available to the lesser qualified.

They have aroused great interest in companies which see advantage in being able to archive the knowledge and experience of expert staff.

Such a man is Mr Derek Townsend of Thomas Cook, the world's largest travel agent. His knowledge of the Australian railway system, built over "more years than I care to remember," as he puts it, is unrivalled.

That experience is invaluable to Thomas Cook. It is the general sales agent in the UK for Railways of Australia, which means that all inquiries, bookings, whether from British Rail, British Airways, other

travel agents or Cook's own offices, are funnelled through Mr Townsend's department.

He has a small team at Cook's headquarters in Fifeborough which deals with day-to-day inquiries regarding departure and arrival times, itineraries and so on. The team used to spend its time thumbing through voluminous timetables to provide information in response to telephone inquiries, calling on Mr Townsend when his expert knowledge was required.

Now the timetables have given way to a personal computer, an IBM PC XT, and travel information appears on the screen in response to judicious prodding with a "light pen," a hand-held pointer.

The system was built by Thomas Cook in conjunction with Expert Systems International of Oxford, a leading artificial intelligence organisation.

Its other projects include Alfex, an expert system being

built for a club of financial institutions which is intended to measure the financial health of companies.

Ease of use was a prime consideration in developing the Cook system. Every query starts with a coloured map of Australia on the screen showing the railway system in diagrammatic form.

Routes are planned by touching the light pen first on the point of departure and then the point or arrival; dates are

chosen from a calendar painted electronically on the screen.

To some extent, this could be done using conventional data processing techniques given an automated timetable; the expert part of the Cook system is the way it searches for information in the files in its memory mimicking the methods built up by Mr Townsend.

It slips in information that does not appear in the official timetables; without a pass, for example, people cannot leave

the train at the station serving the Woomera rocket range.

Thomas Cook sees its Railways of Australia system as the first of a series which it intends to install to store and make available its vast hoard of knowledge about the travel business.

It was written in Prologue II, a computer language with its rules of operation based in formal logic.

Thomas Cook has a long record of innovation in applying technology to the leisure business, so it is perhaps not surprising that it moved quickly in a new area.

Take a light pen... and see Australia by train

Cellular radio capacity problem

CELLULAR RADIO, the successful new method of mobile telephony originally hailed as the answer to the capacity problems of traditional mobile systems, is running into similar difficulties of its own.

In the US, some operators have found their systems are filling up far quicker than expected because of the uneven distribution of telephone calls.

In the UK, the two national cellular operators, Racal-Vodafone and Cellnet, could find themselves in the same position. The UK now has more than 40,000 customers, but nearly 70 per cent of them are in the London area. The operators estimate that each of their systems could accommodate about 30,000 users in the metropolitan districts and that this figure could be reached within three years. Both are lobbying the Government for additional frequencies but the most suitable ones have already been earmarked for a pan-European system.

A cellular radio system works by dividing the coverage area, for instance a city, into small zones, or "cells," as little as one mile across. Each contains a low-powered radio transmitter operating on a fixed set of frequencies. Users, and in the early days of cellular radio that means drivers, are automatically switched by computer from one set to another as they pass

from cell to cell.

As a result, the system accommodates many more customers than conventional mobile radio. The limited range of the low-power signals means that the same set of radio frequencies can be re-used in non-adjacent cells.

This is fine in theory. But users and traffic tend not to be evenly distributed between the cells. This is causing particular difficulties for the Chicago system, which has signed up 23,000 customers since October 1983, when it became the first US cellular radio network to launch commercial operations.

The busiest cells, in the downtown financial district and near O'Hare airport, have traffic nearly six times the Chicago average. At one time last year about 5 per cent of calls in these areas were failing to get through, compared with a 2 per cent target.

In an attempt to combat the problem, Ameritech, the former American Telephone and Telegraph subsidiary which owns the system, has "split" some cells into smaller units. The radius has been cut from eight miles to four and in some cases to two. This has allowed the restricted number of frequencies to be re-used more often, thereby increasing the system's capacity.

Ameritech says, however, that this has created problems of

cell co-ordination and signal interference. It cope with them, but argues that it cannot take the process any further.

Mr Evan Richards, vice president of engineering and operations, says that the effects of another reduction to a one-mile radius, would be too serious.

So Ameritech, like the UK operators and others in the US, is pressing for more frequencies to be released. At the moment, US operators are each allocated 20 megahertz of frequency spectrum. They are calling for another six. "If we don't get them," says Mr Richards, "we're in trouble." The Federal Communications Commission (FCC) is to allocate further frequencies within two months and has indicated that it might meet the operators' wishes.

But the outcome is uncertain. First, there are several other contenders.

A number of commissioners are also believed to be sceptical about the claims of Ameritech and the other operators because the FCC was originally told that increased demand could be met through cell-splitting. Several experts agree. They say that it is not extra frequencies that are needed but more sophisticated and expensive, cell-splitting techniques. They accuse the industry of trying to grab the cheapest way out.

NEIL MCCARTHY

真心 HOSPITALITY

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As impressive as the service and wide choice of cuisine, is the luxurious comfort of the First Class section. The space. The quiet.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

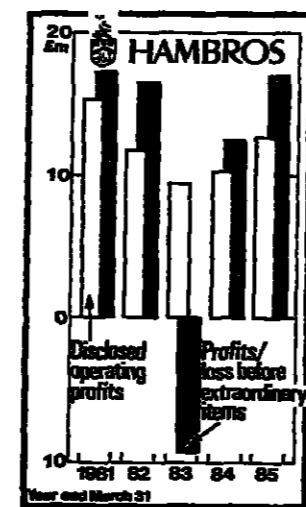
UK financial services

Sidestepping the 'Big Bang'

David Lascelles on Hambros' decision to avoid following the herd on deregulation

'MIXED' IS the most appropriate word to describe the reception which London's financial community gave to the rather surprising announcement from Hambros late last year that it intends to spend \$55m on buying Bairdrow...

Believing that many of the best ideas were coming out of the US, Christopher Spurburg, the chief executive in charge of non-banking business, visited Sears Roebuck...



needs are, and you can turn that into business. Bairdrow Eves was an obvious potential partner: it was the first UK estate agent to go public...

For starters, Hambros expects to write mortgages on about a tenth of the £1bn worth of houses which Bairdrow sells each year...

The deal should also provide an outlet for Hambros' insurance, investment management and legal protection services...

The group has also hired some big names to boost its standing among the moguls of the corporate world and Whitehall. They include Sir Adam Ridley, the former senior Treasury official...



Rupert Hambros: "... we didn't like what we saw"

of a larger group, we have got to have our specialisations. says Padovan. One of them will be a top class and attentive advisory service...

Labour relations

The limits of freedom

David Thomas assesses the changed climate

MANY SENIOR industrial relations managers in Britain learned their trade in an age when unions were a major force in the balance of industrial power...

Advertisement for Nilfisk, featuring a cartoon character and text: 'A FINANCIAL TIMES SURVEY VEHICLE FLEET MANAGEMENT MONDAY FEBRUARY 10 1986'

Company Notices section containing legal notices for Five Above Fund N.V., Petrobras Mexicana, and Swiss Bank Corporation.

Advertisement for Statoil, featuring the Statoil logo and text: 'Den norske stats oljeselskap a.s Stavanger, Norway U.S.\$ 125,000,000 9 1/4 % Bonds of 1986/1996'

Advertisement for Johannesburg Mining and Finance Corporation Group, featuring a diamond logo and financial data for Egoli Consolidated Mines Limited Group.

Legal Notices section containing notices for The Companies Act 1985, Glove Brothers (Manufacturing) Limited, and Clubs.

Advertisement for Deutsche Bank Capital Markets, listing various international banks and their services.

Contracts and Tenders section featuring an invitation to tender from the Intervention Board for Agriculture Produce for common wheat flour to Sudan.

Advertisement for European Investment Bank, featuring the bank's logo and text: 'NOTICE OF PURCHASE European Investment Bank 11 1/2 % United States Dollar Bonds of 1983, Due December 15, 1990'

Advertisement for Svenska Handelsbanken, featuring the bank's logo and text: 'NOTICE OF PURCHASE Svenska Handelsbanken US\$30,000,000 9 1/2 % Bonds 1976 (77-86) Redemption of outstanding bonds'

UK NEWS

Peter Riddell examines the Thatcher Government's disarray over Westland

Tory squall with all the features of a cyclone

Ford workers set to take industrial action

BY DAVID THOMAS
FORD'S 37,000 manual workers look set to reject the company's final pay and productivity offer and vote for industrial action.

Call for regulation of Lloyd's

By Ivor Owen
PRESSURE on ministers to bring Lloyd's, the London insurance market, within the framework of statutory regulatory provisions introduced by the Government last week during the Second Reading debate on the Financial Services Bill in the House of Commons last night.

Electricians head for Murdoch talks

By Philip Bassett and Helen Hague
TALKS are likely soon between EETPU electricians union leaders and Mr Rupert Murdoch's News International over a new agreement for the company's printing plant at Wapping, east London.

BY 900 to 306 and voted in favour of industrial action by 607 to 591. A strike at Ford would be the first major pay dispute in the current pay round.

Airports Bill out this week

THE GOVERNMENT is expected to publish its airports Bill later this week, possibly tomorrow, setting out proposed legislation to privatise the British Airports Authority (BAA), which runs Heathrow (London), Gatwick airports, among others, Lynton McLain writes.

Electricians head for Murdoch talks

BY PHILIP BASSETT AND HELEN HAGUE
TALKS are likely soon between EETPU electricians union leaders and Mr Rupert Murdoch's News International over a new agreement for the company's printing plant at Wapping, east London.

'NO ONE has emerged from it all with much credit,' one senior minister commented yesterday as the Government continued in disarray, over the Westland affair. At present, ministers can hardly put a foot right, at every stage being outmanoeuvred by Mr Michael Heseltine, who resigned as Defence Secretary last Thursday.

The plant where just one union member backed the European bid

IF Mr Michael Heseltine felt isolated in his last Cabinet meeting consider the loneliness of one union member at the troubled Westland helicopter factory in Yeovil, Somerset, west England. He voted for the European consortium's rescue bid, 1,200 of his colleagues voted for that led by Sikorsky of the US, Fiona Thompson writes.

18, infuriated Mr Heseltine and provided him with valuable ammunition. However Mr Brittan made a mistake in seeing Sir Raymond Lygo as British Aerospace (BAe) last Wednesday, however well intentioned he was in warning Sir Raymond that some of the European consortium's statements were in danger of fuelling protectionist sentiments in the US, notably over steel quotas, and also undermining the sales prospects of the European Airbus.

The plant where just one union member backed the European bid

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Party managers and senior ministers last night still regarded Mr Brittan's position as far from secure. Much may depend on how today's debate goes, which he will close.

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IF Mr Michael Heseltine felt isolated in his last Cabinet meeting consider the loneliness of one union member at the troubled Westland helicopter factory in Yeovil, Somerset, west England. He voted for the European consortium's rescue bid, 1,200 of his colleagues voted for that led by Sikorsky of the US, Fiona Thompson writes.

Mr Brittan's Tory critics argue that he has not been neutral over the affair, initially favouring the European option and later the Sikorsky bid, as they believe would be revealed by publication of minutes of meetings on October 4 and 18 as well as Sir Austin

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of Mrs Thatcher's style of government. Her critics argue that she and Mr Nicholas Ridley, the Transport Secretary, are themselves taking the main negotiating decisions over the proposed Channel fixed link at the moment rather than consulting the Cabinet as a whole.

The plant where just one union member backed the European bid

IF Mr Michael Heseltine felt isolated in his last Cabinet meeting consider the loneliness of one union member at the troubled Westland helicopter factory in Yeovil, Somerset, west England. He voted for the European consortium's rescue bid, 1,200 of his colleagues voted for that led by Sikorsky of the US, Fiona Thompson writes.

Opinion polls in the past two days show the public largely against Mrs Thatcher and in favour of Mr Heseltine, with Tory support slipping. The worry of Tory MPs is that the episode could mark a turning point in the Government's fortunes, similar to the beginnings of the "winter of discontent" in late 1978, especially given the latest rise in unemployment and increase in interest rates. The alternative view is that it is just a squall like that last July but as one Cabinet minister noted late on Monday evening, it has all the features of a cyclone.

The plant where just one union member backed the European bid

IF Mr Michael Heseltine felt isolated in his last Cabinet meeting consider the loneliness of one union member at the troubled Westland helicopter factory in Yeovil, Somerset, west England. He voted for the European consortium's rescue bid, 1,200 of his colleagues voted for that led by Sikorsky of the US, Fiona Thompson writes.

Johannesburg Investments Consolidated Group

Gold mining companies' reports for the quarter ended 31 December 1985 with comparative figures for the previous quarter

Randfontein Estates
The Randfontein Estates Gold Mining Company, Westwarsand, Limited
Operating Results (Unaudited)
Quarter ended 31.12.85 30.09.85 31.12.84

DEVELOPMENT
Metres advanced 31.12.85 30.09.85
Average value: 1.43 1.28
SAMPLING RESULTS
The values shown in the following tabulations are the actual results of sampling and development. No allowance has been made for any adjustments which may be necessary when computing ore reserves.

GOLD PRODUCTION
Metres advanced 31.12.85 30.09.85
SHAFTS
COAL No. 3 Ventilation Shaft
LABOUR UNREST
Sporadic outbreaks of labour unrest have occurred since early in December and this has had an adverse effect on the rate of production from underground.

Western Areas
Western Areas Gold Mining Company Limited
Operating Results (Unaudited)
Quarter ended 31.12.85 30.09.85 31.12.84

SAMPLING RESULTS
The values shown in the following tabulations are the actual results of sampling and development. No allowance has been made for any adjustments which may be necessary when computing ore reserves.

LONG-TERM LOANS (R000)
Balance at end of period 22 535 23 177 22 535
Interest during the period 2 535 2 552 2 535

Elsburg
Elsburg Gold Mining Company Limited
Operating Results (Unaudited)
Quarter ended 31.12.85 30.09.85 31.12.84

UK NEWS

CBI urges £1bn boost to cut unemployment

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

BRITAIN'S industrialists yesterday called on the Government to take direct action to reduce unemployment...

Mr James said CBI members had completely rejected the idea of a general reduction of the economy.

If additional money was available it should be spent on raising tax thresholds in order to improve incentives for the lowest paid to ease the effects of poverty trap.

Councillors appeal against surcharges

By Raymond Hughes, Law Courts Correspondent

MORE THAN 80 Labour councillors from Liverpool and the South London borough of Lambeth went to the High Court yesterday to appeal against surcharges totalling more than £233,000 imposed on them for delaying the setting of a legal rate.

Thirty-two Lambeth councillors face having to pay between them £126,947; the 49 from Liverpool are alleged to be liable for £106,103.

Value of shop sales up by 9% last year

By George Graham

CHRISTMAS SHOPPERS pushed UK retail sales to record levels in December, according to figures published yesterday by the Department of Trade and Industry (DTI).

December's retail sales are provisionally valued at £11.5bn, a year-on-year increase of 8 per cent. Over the whole of 1985, the average value of sales was nearly 9 per cent higher than in 1984.

DTI officials said that average retail prices for the whole of 1985 are expected to be 4.4 per cent higher than in 1984.

Falling retail sales volume in September and October took some of the sparkle out of strong summer sales figures, and December's figures are lower than forecast by most City of London analysts.

In the last quarter of 1985, retail sales volume remained at the same level as in the previous three months, but 4.5 per cent higher than in the same period of 1984.

Minister defends pact in Ulster election row

BY OUR BELFAST CORRESPONDENT

MR TOM KING, the Northern Ireland Secretary, said yesterday that the Anglo-Irish agreement would neither be scrapped nor modified whatever the results of next week's 15 Ulster by-elections, caused by the resignation of Unionist MP's who opposed the deal.

Mr King called a news conference just hours before the two Unionist parties launched a joint manifesto. His intervention during the election campaign proper caused some surprise among Unionist leaders.

The Secretary of State said the Government was determined to make the agreement work. While he respected the right of the Union-

ists to resign, the by-elections could not overturn the will of Parliament. The parliamentary majority ratifying the agreement was the largest he had seen on a major issue. The Anglo-Irish pact, signed last November, gives Dublin a say in the running of Northern Ireland.

The Unionists could not go on saying no to everything. During 12 years of stalemate they had rejected every effort which had been made towards progress.

The Rev Ian Paisley and Mr James Molloy, the Unionist leaders, said afterwards that Mr King would be "breaching the road to dictatorship" by ignoring the election results.

Hoverspeed profits hit

BY ANDREW FISHER, SHIPPING CORRESPONDENT

HOVERSPPEED, the cross-Channel hovercraft company, edged into profit at the pre-tax level last year, but the costs of moving its head quarters and of installing an unsatisfactory computer system tipped it back into the red.

The company made a pre-tax profit of £194,000 in the year to October 31, 1985, compared with a £321,000 loss the previous year. But for the bad weather last summer, it said, these profits would have been £500,000 higher.

These costs were partly offset by a tax credit of £302,000 compared with a £305,000 charge the previous year, but Hoverspeed ended the year with a final loss of £375,000 against £406,000.

Company Notices

GRANGES AB THE GRANGES COMPANY US\$15,000,000 8 1/2 per cent. Loan 1989

S.G. WARBURG & CO. LTD. announces that the annual redemption instalment of US\$1,000,000 due 15th February, 1986 has been met by purchase in the market to the nominal value of US\$519,000 and by a drawing of Bonds to the nominal value of US\$381,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:-

Table with 12 columns and 30 rows of bond numbers.

On 15th February, 1986 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:-

S.G. WARBURG & CO. LTD. 33 King William Street, London EC4R 9AS

or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 15th February, 1986 and Bonds so presented for payment should have attached all Coupons maturing after that date.

The amount of any missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid against surrender of the relative missing Coupons within six years from the date of payment.

US\$3,000,000 nominal amount of Bonds will remain outstanding after 15th February, 1986.

33 King William Street, London EC4R 9AS

NATIONAL BANK OF CANADA SUS 100,000,000 FLOATING RATE DEPOSIT NOTES DUE APRIL 1995

For the three months, January 7, 1986 to April 6, 1986 the rate of interest has been fixed at 8 7/16 % P.A.

The interest due on April 7, 1986 against coupon no. 4 will be \$US 210.94 and has been computed on the actual number of days elapsed (90) divided by 360.

THE PRINCIPAL PAYING AGENT SOCIETE GENERALE ALSACIENNE DE BANQUE 15, Avenue Emile Reuter LUXEMBOURG

U.S. INTERNATIONAL N.V. US\$100,000,000 8 1/2% 1971/1986. We inform bondholders that the amount remaining in circulation of the loan named US\$3,000,000 will be redeemed at par on the maturity date on March 15, 1986.

ROWNTREE MACKINTOSH INTERNATIONAL FINANCE B.V. £18,000,000 10 1/2% STERLING FOREIGN CURRENCY BONDS 1988

NOTICE IS HEREBY GIVEN that in respect of the mandatory redemption instalment due for 15th February, 1986, Bonds in an aggregate principal amount of £739,000 have been purchased in the market to the nominal value of £279,000 and by a drawing of Bonds to the nominal value of £460,000.

Table with 12 columns and 30 rows of bond numbers for Rowntree Mackintosh.

461 Bonds at £1,000 = £461,000

The above-mentioned Bonds are to be met for repayment on or after 15th February 1986 at the office of Schroder Investment Management Limited, 25 Abchurch Lane, London EC4N 3DF, or any one of the other paying agents named below.

In accordance with Clause 13 (1) (d) of the Trust Deed constituting the above Bonds notice is hereby given that the serial numbers of Bonds previously drawn for redemption and not presented for payment, interest shall accrue on these Bonds on the due date for payment thereof.

LONDON: 15th January, 1986

NEW ISSUE DECEMBER 1985



CLAL FINANCE N.V. (Incorporated with limited liability in the Netherlands Antilles) U.S.\$12,000,000

GUARANTEED FLOATING RATE NOTES 1990

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Bank Leumi le-Israel B.M.

KOREA GROWTH TRUST International Depositary Receipts

NOTICE IS HEREBY GIVEN to the Holders that Korea Growth Trust declared a dividend of US\$ 32,000 per 1,000 Units payable on January 27, 1986 in the form of cash.

The amount of dollars shall be the net proceeds of the sale of the assets of the trust, less expenses and taxes thereon, and will be distributed to the Holders in proportion to their respective percentages after deduction of all taxes and charges of the Depositary.

The proceeds of the coupon are to be converted into US Dollars at the prevailing rate of exchange as of the date of payment and will be distributed to the Holders in proportion to their respective percentages after deduction of all taxes and charges of the Depositary.

SOCIETE CENTRALE DE BANQUE SUS 50,000,000 FLOATING RATE NOTES DUE 1995

For the six months, January 3, 1986 to July 2, 1986, the rate of interest has been fixed at 8 1/8 % P.A.

The interest due on July 2, 1986 against coupon no. 2 will be \$US 408.51 and has been computed on the actual number of days elapsed (181) divided by 360.

THE PRINCIPAL PAYING AGENT SOCIETE GENERALE ALSACIENNE DE BANQUE 15, Avenue Emile Reuter LUXEMBOURG

European Ferries Group Plc (CDRs)

The undersigned announces that the Rules of the Concessionary Car Ferry Fare Scheme with the adjusted discounts for 1986 are available at its office in Amsterdam.

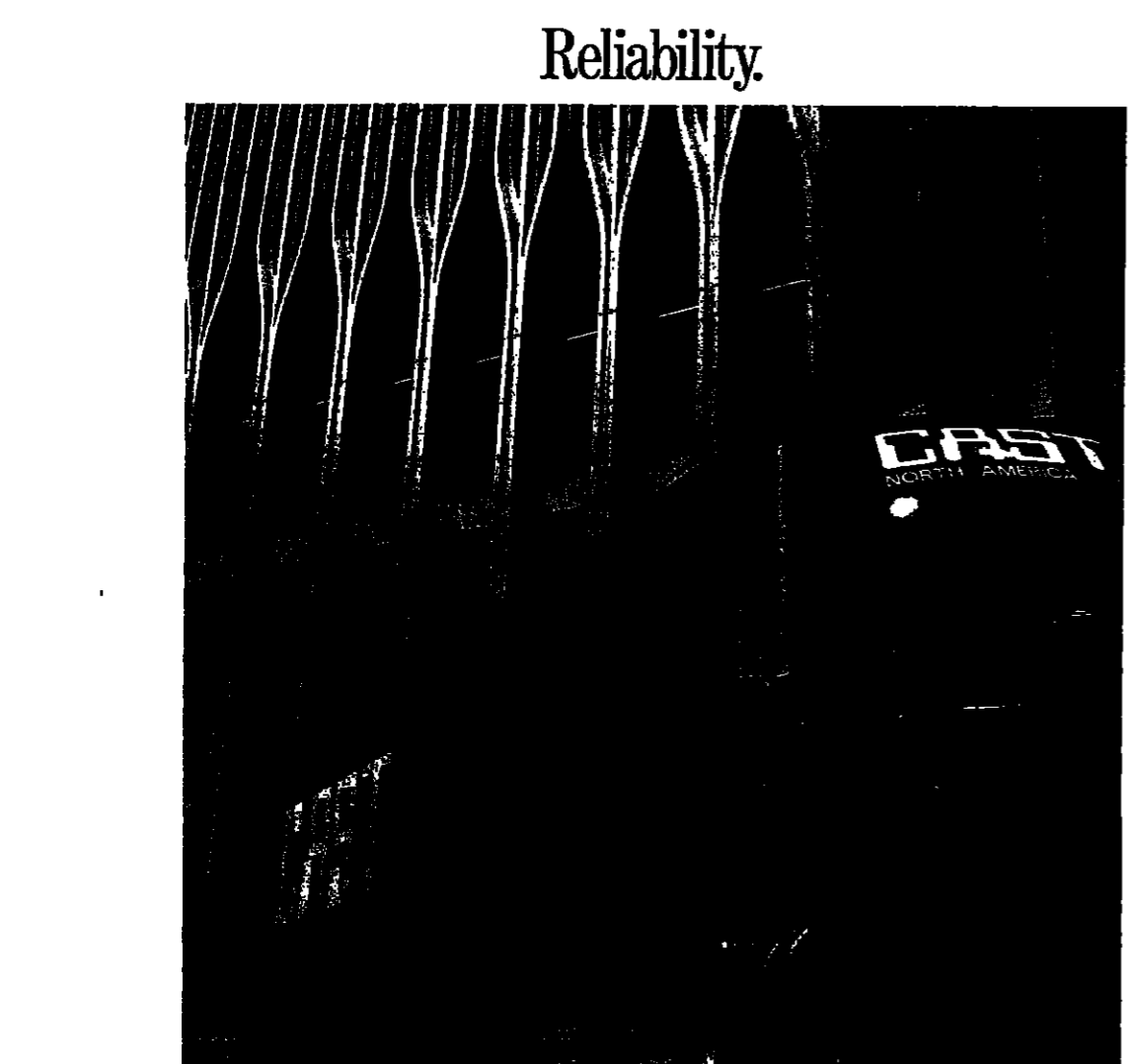
Townsend Thorsen, Department SC, Leidsestraat 32, 1017 PB Amsterdam. Tel: (020)357717/230197 before 18th February 1986 stating at the same time the applicant's name and address, in order to reproduce those data on the Registered Certificate.

Motor Cars

GRUP PCI GET UP TO 30% DISCOUNT ON NEW CARS

Just look at these on the road examples: BMW 318i 2 door £7,500 Renault 25 GT £9,450 Opel Kadett GTE £6,320 Renault 25 CTS £7,500

Residential Property Rentals



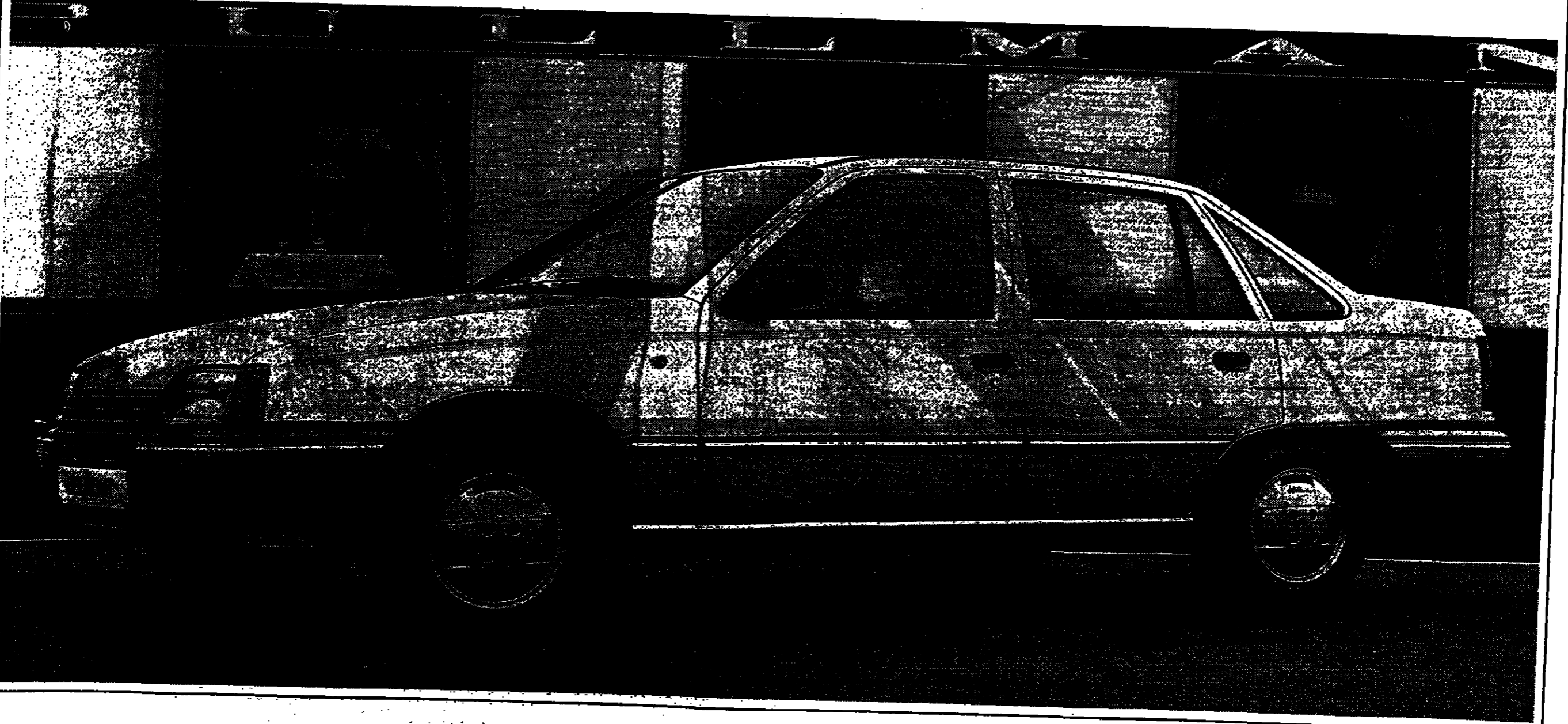
Reliability. One reason why Cast has become the leading door-to-door container operator on the North Atlantic.

CAST The Blue Box System of Container Shipping

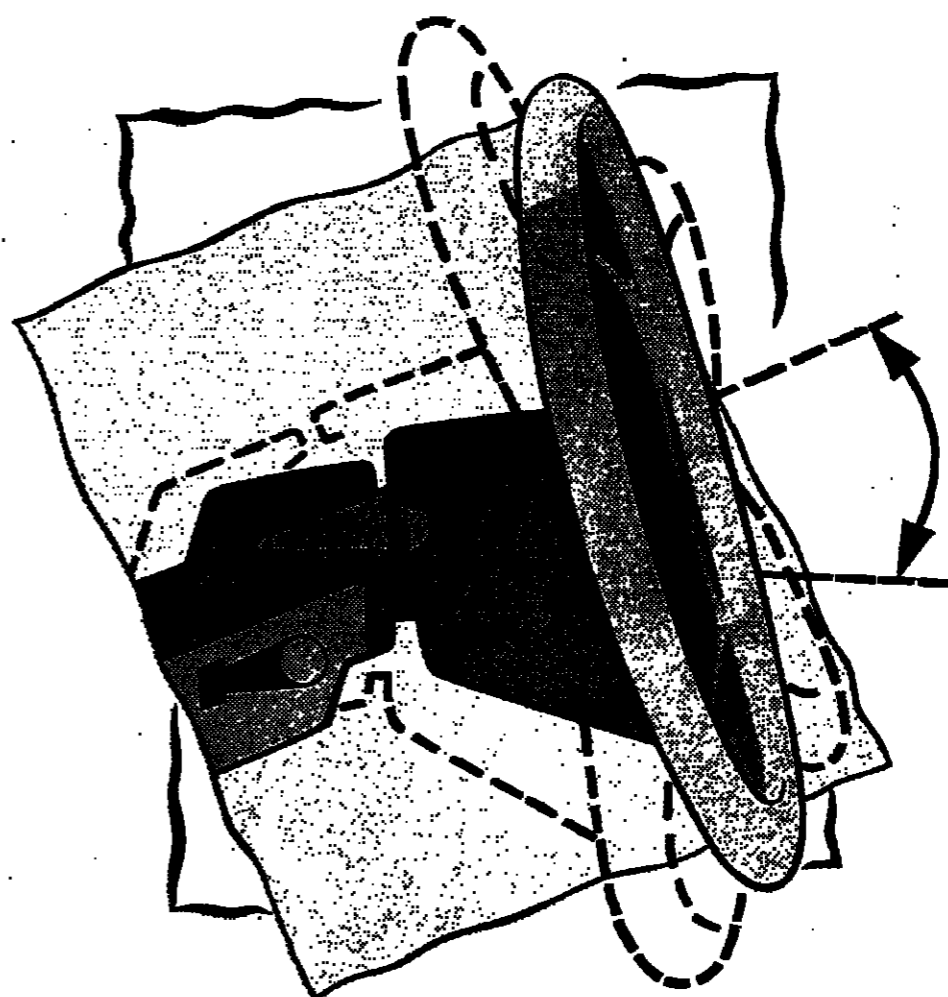
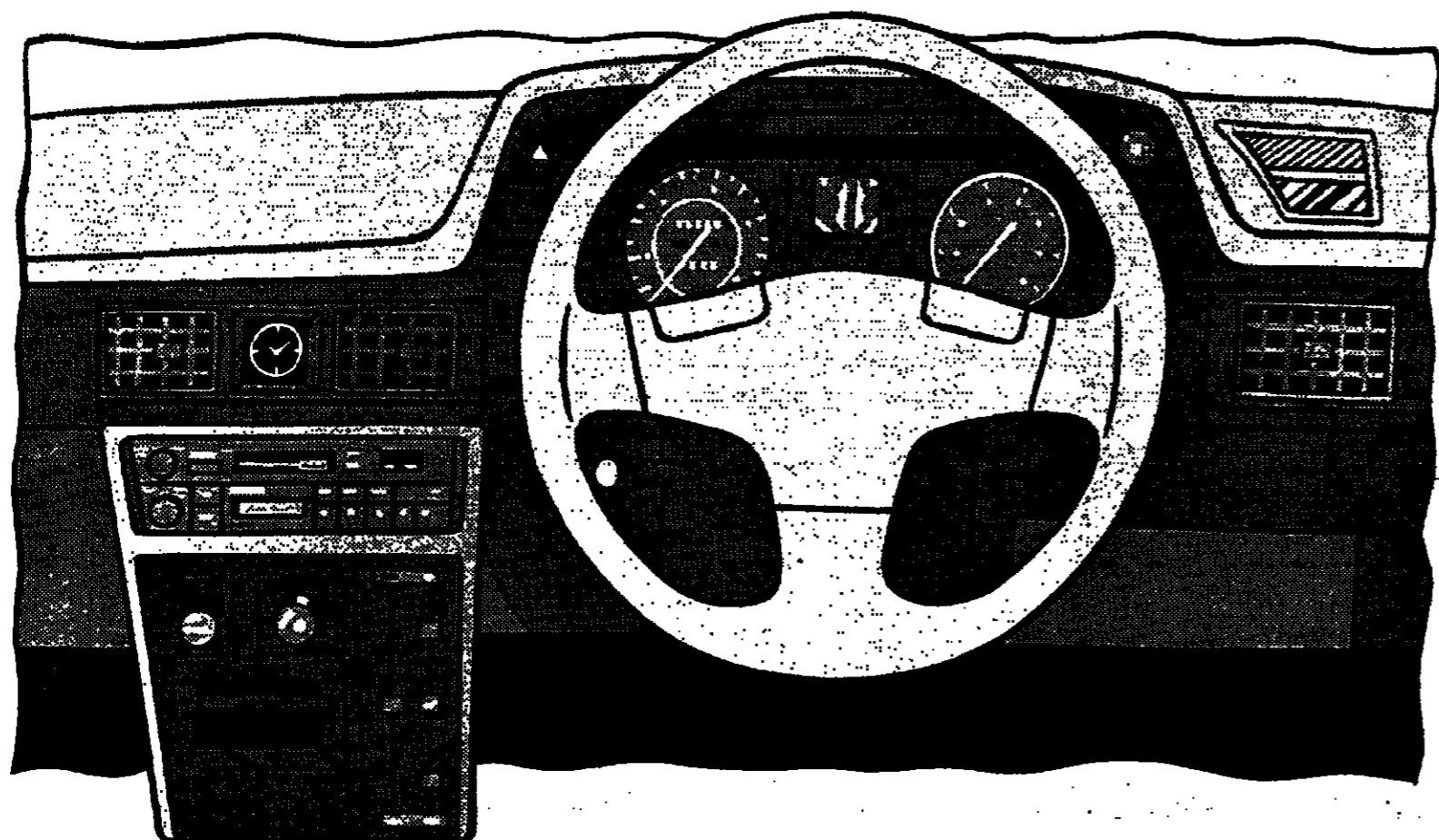
NOTICE OF PURCHASE EUROPEAN INVESTMENT BANK 11 1/2% UNITED STATES DOLLAR BONDS OF 1984, DUE FEBRUARY 15, 1986

STANBROOK-Luxembourg fully fitted 2 bed, both set in superb town location. Large modern kitchen, wood panelled office and apartment. Gas C.I. Parking space. Call 01-246 9386.

Vauxhall announce a more elegant way to travel. Belmont Class.



DO P
1985
NEW CAR



Do you ever hanker for those bygone days of travel?

The days when a Grand Tour meant more than "If it's Tuesday it must be Rome"?

Then allow us to introduce you to the Belmont.

A rather stylish new saloon car from Vauxhall.

The moment you enter the Belmont you'll notice its high level of appointments.

The seats are superbly upholstered and, in the front, easily adjustable.

The seatbelts can be individually altered for height and driving position.

And there's a 4-speaker Philips stereo radio/cassette player.

Of course, should you decide to push the boat out with the GLS trim, you'll find even more in store.

Centralised door locking. A sliding and tilting glass sunroof. Electrically operated and heated door mirrors.

Even a steering wheel that can be adjusted for the most comfortable angle.

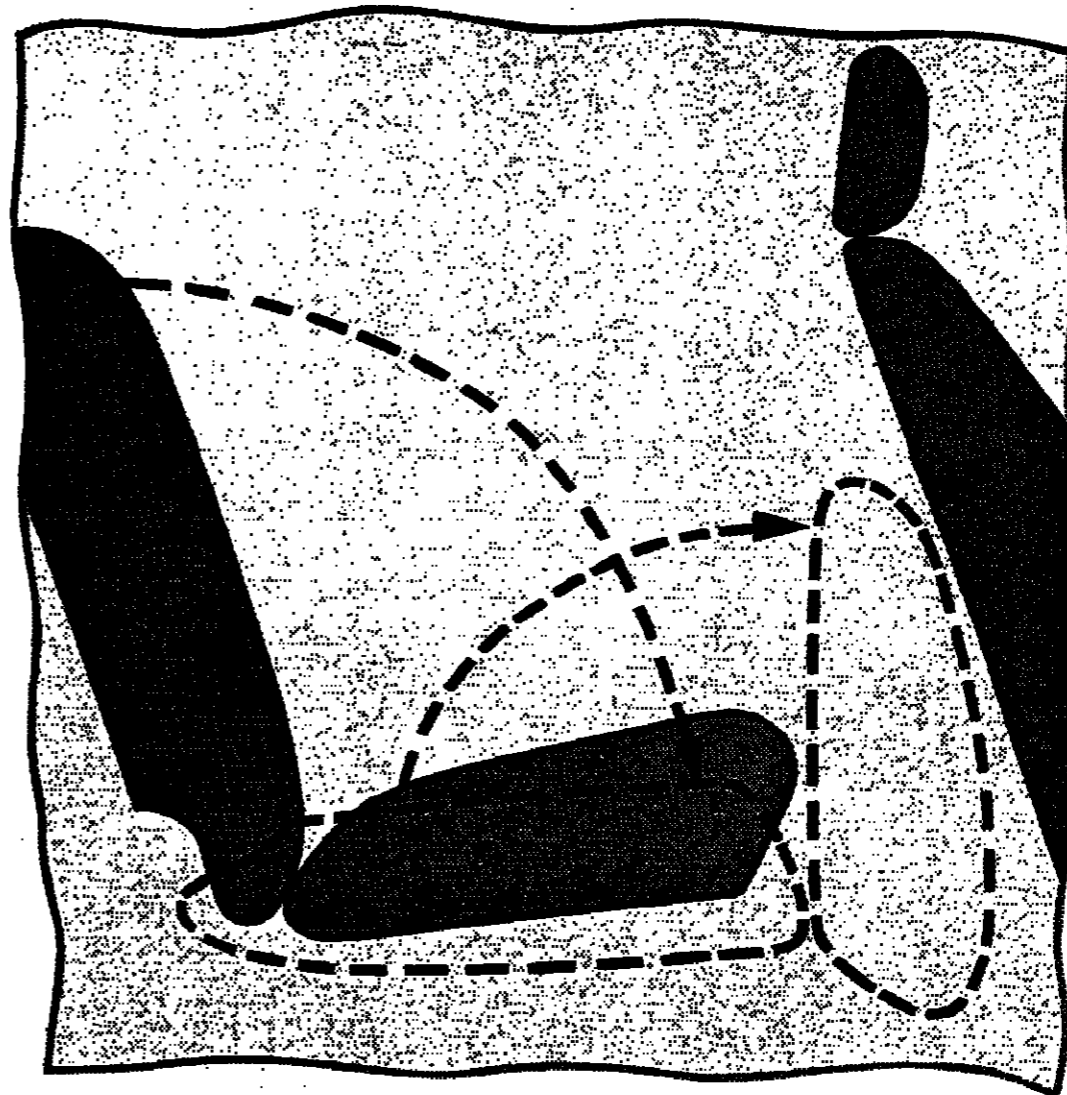
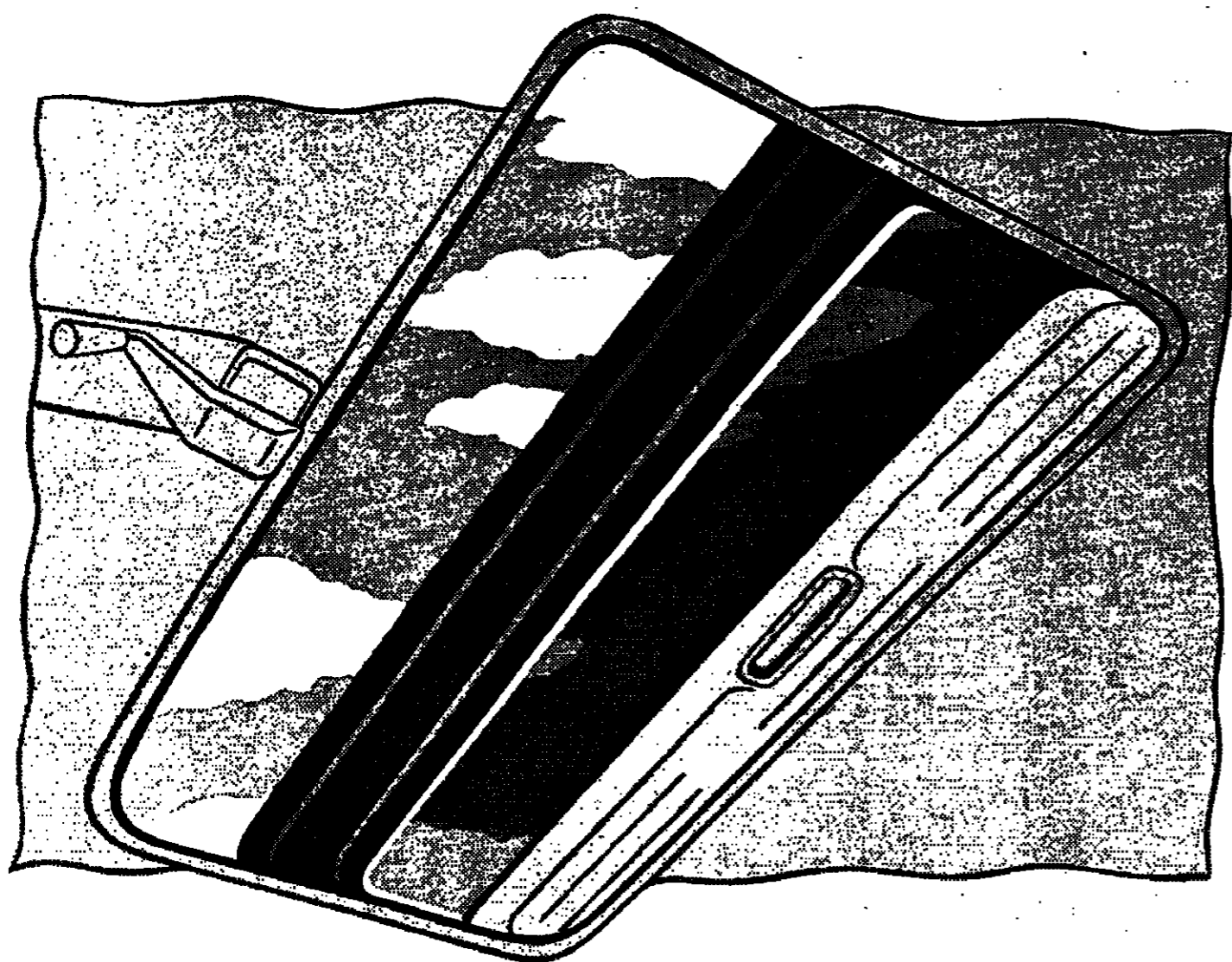
But in any form, the Belmont's pièce de résistance is its boot.

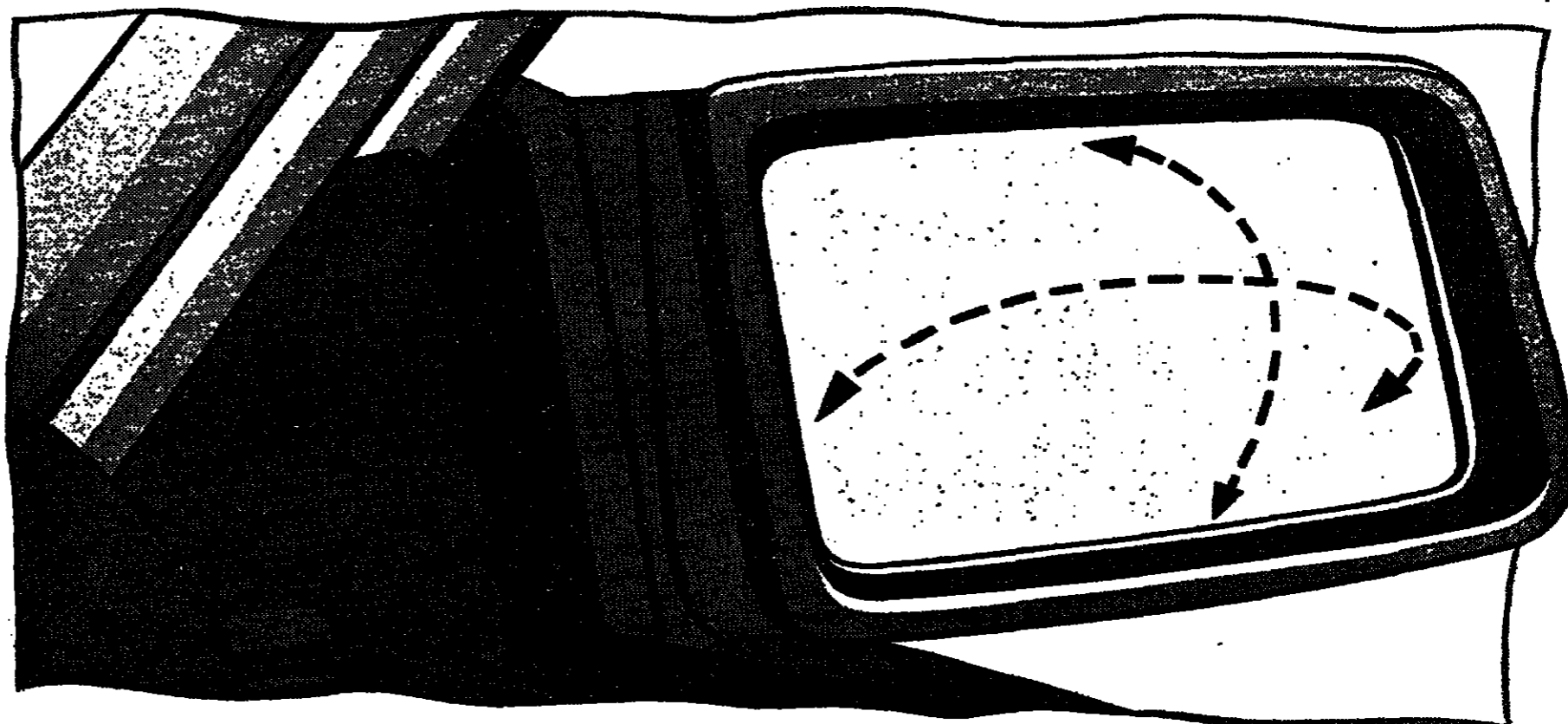
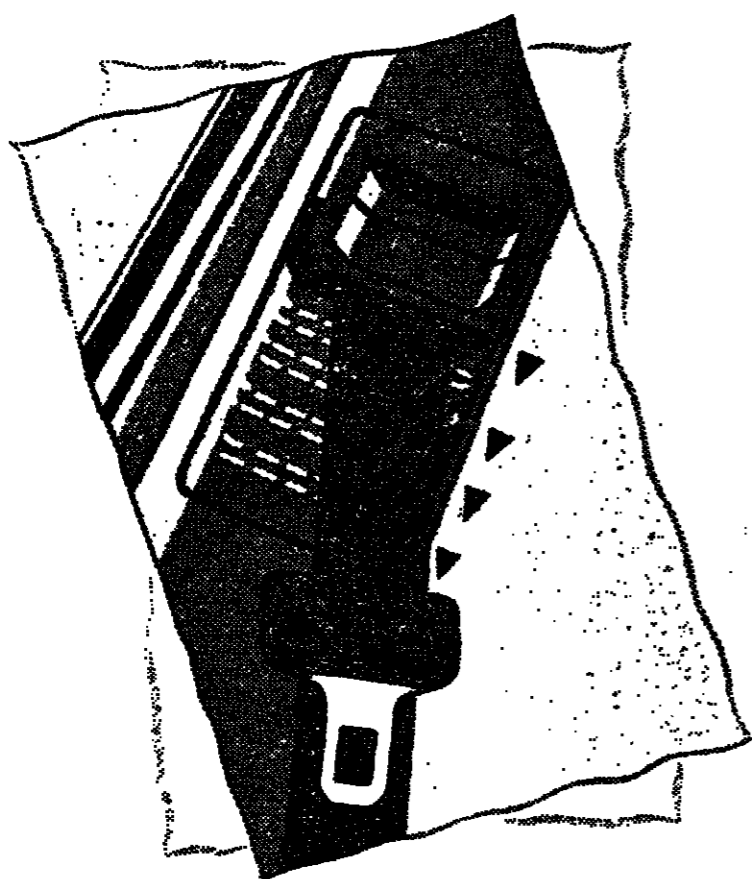
The largest in its class, it boasts a capacity of 19.4 cu. ft., easily accessible thanks to a low loading lip.

And thanks to the 60/40 split folding rear seats, you can carry rear passengers at the same time as transporting lengthy or unwieldy loads.

Laden or unladen, the Belmont, like the Blue Riband liners of yesteryear, combines an uncommon level of comfort with a rare turn of speed.

Consider the GLSi, for example.





Its smooth streamlined coachwork has a class-beating drag factor of just 0.32.

Which helps it steam to an impressive top speed of 124mph.

Yet it manages to return a creditable 55mpg when cruising along at a steady 56mph.

As you would expect with such an aerodynamic shape, wind noise is kept to a minimum.

Whilst the car's remarkably refined suspension and low profile tyres mean it can negotiate the twistiest Alpine road or Route Départementale with an unruffled grace.

The Belmont is available with a wide

choice of cabins. Seven in all. With three trim levels and four engine variants.

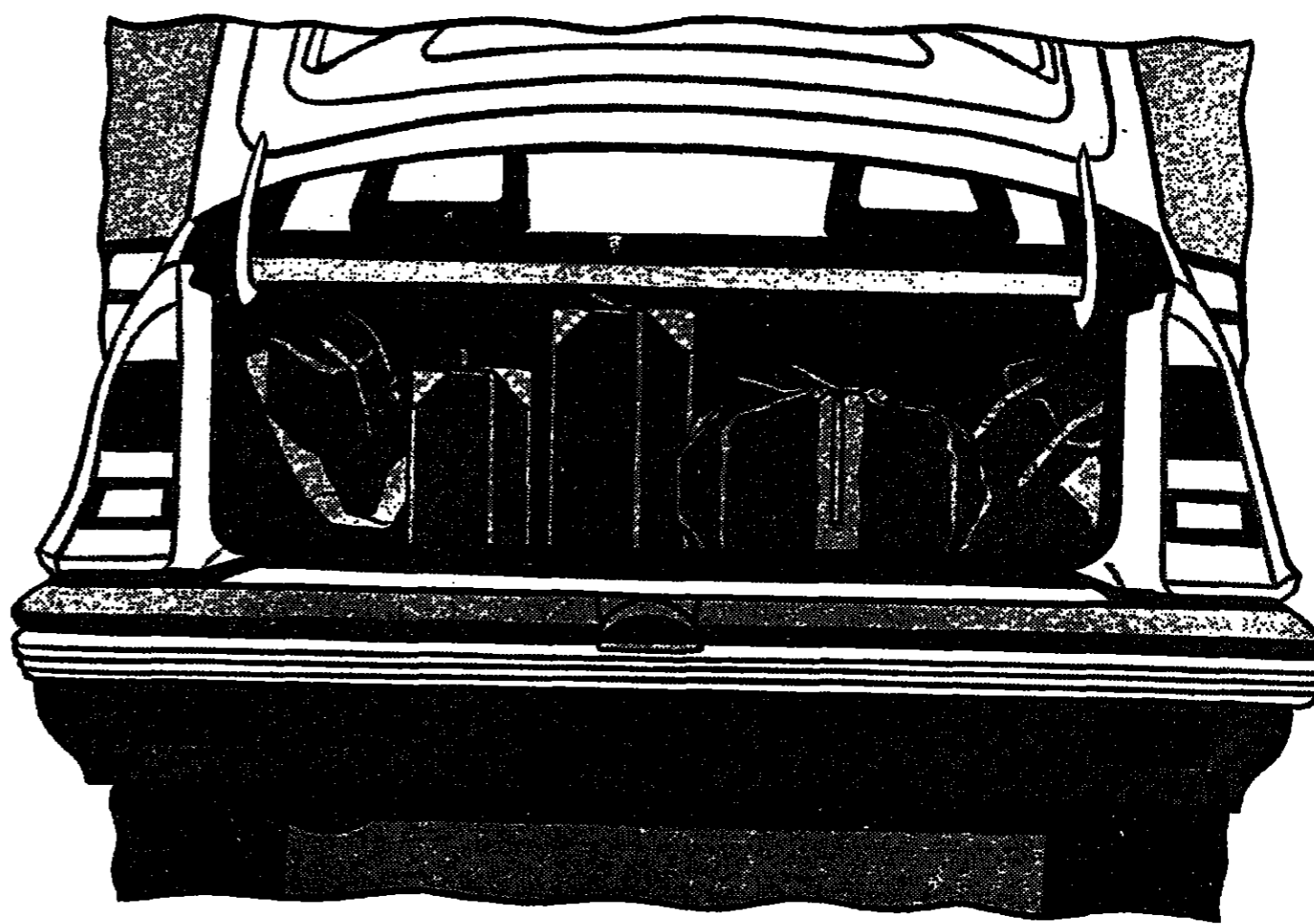
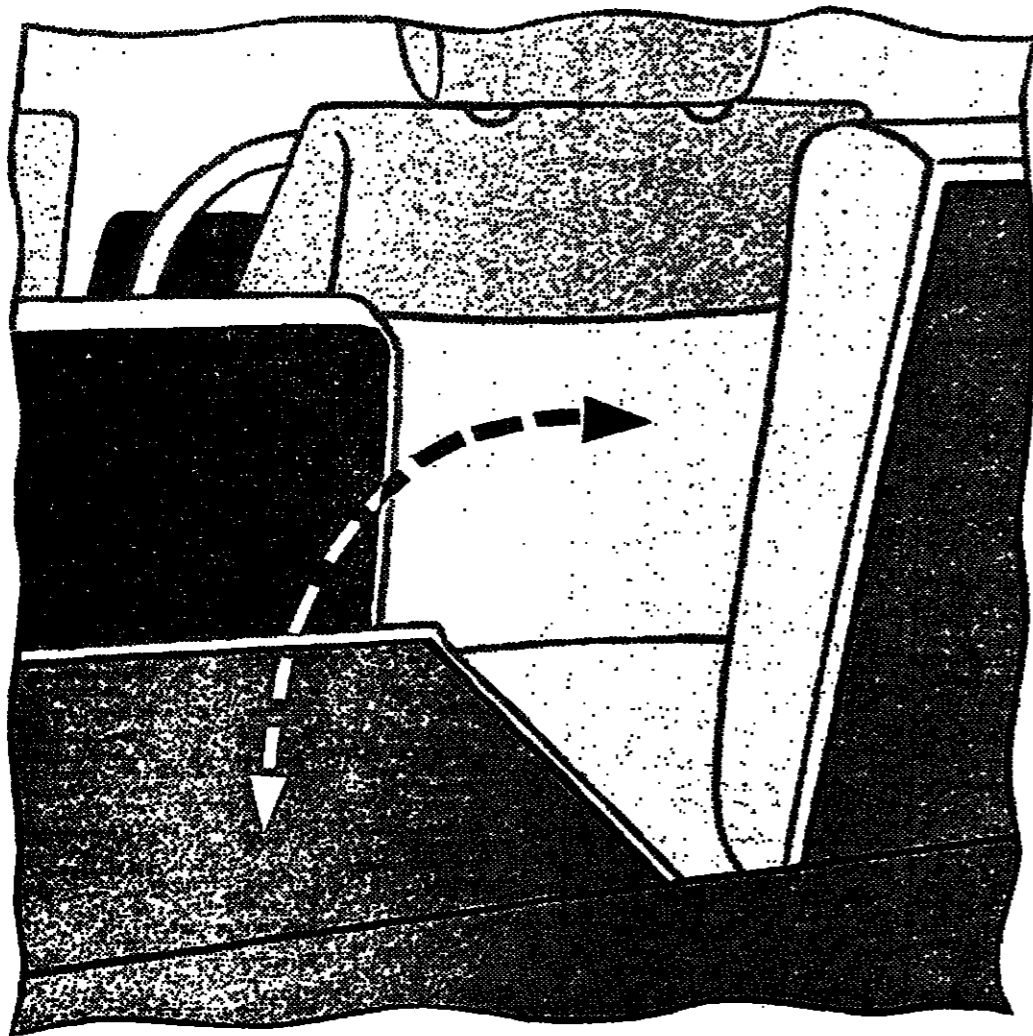
Right now, you'll find the Belmont berthed at your local Vauxhall-Opel dealer.

Why not book yourself a maiden voyage?



The new Vauxhall Belmont.
From £6,210 to £8,095.

B E T T E R . B Y D E S I G N .



WEST GERMANY'S INDUSTRIAL CONSENSUS



Chancellor Kohl (left), Ernst Breit and Franz Steinkueller

The strains are beginning to tell

By Peter Bruce in Bonn

A case of bad judgment

THE MOST plausible charge against the Thatcher Government over the Westland affair... which it will have to answer in today's House of Commons debate...

It is important to be clear about the ultimate source of the Government's problems... With hindsight it can be seen that the fatal error was to have encouraged Mr Michael Heseltine, in the autumn, to look for an all-European alternative...

Wages, taxes and jobs

THE Confederation of British Industry decried a proposal in the standard rate of income tax this year. It has even deferred its often-repeated request for a cut in employers' social charges...

This is a line of reasoning which should appeal strongly to the Chancellor in his economic role, though it may well not match the Government's political priorities...

It is revealing to compare the CBI's approach with the strategy proposed by the European Commission in its recent annual economic review. This puts the issue of wages and taxation not in the context of competitiveness, which is a somewhat insular concern within Europe...

THE MUCH admired social contract between West German trade unions and management, which underpinned the country's post-war recovery and delivered some of the highest wages in the world to West German workers, is coming under unprecedented pressure...

Among recent developments, employers are resisting fiercely and successfully, union efforts to secure a greater say in investment in new technology and in management...

Political strikes are unconstitutional in West Germany, demonstrations are not, but union leaders have not bothered to disguise the colour of the actions...

The unions face a serious dilemma. Their leaders insist that their only way forward is to press for more co-determination on company boards...

Neill to look to Lloyd's

Sir Patrick Neill's appointment as head of the Government inquiry into self-regulation of the Lloyd's insurance market...

After a successful career as a commercial barrister, including a year as chairman of the Bar Council in 1974-75, Neill declined to follow his elder brother, Brian, on to the bench...

Now 59, Neill faces an early return to the public eye, stepping into an inquiry that promises to carry a far more political content than most of his previous activities...

Less taxing

John Kay, the youthful director of the Institute for Fiscal Studies, is on the move. Next October he takes over CBS—not, I hasten to add, the television network but the little-known Centre for Business Strategy at the London Business School, which is currently run by John Stopford, an academic...

workers called out but that a strict application of the law meant that the Federal Labour Authority in Nuremberg would have to pay benefit to workers laid off in plants indirectly affected by the strike...

WEST GERMAN employees have long enjoyed a statutory right to a say in the way their enterprises are run. There are two main laws, the origins of which date back almost to the country's formation in 1949...

Ever since the FDP, junior partners in the current coalition, and an often forgotten, though increasingly powerful political element in German industry, the Mittelstand, or small and medium-sized businesses...

Government MPs have been trying very hard to present their proposed changes to the strike rules—which would make it impossible for members of a union to be paid benefit by the state if they were laid off because of a strike...

public sector issues, he intends to focus on private sector problems and build up substantial expertise in various industrial sectors...

Men and Matters

British CBS seems certain to achieve a much higher profile. Indeed, Kay's talent for publicity is so well-developed that existing LBS luminaries such as Alan Budd, the macroeconomist, may be overshadowed by the newcomer...

Slant-wise

The English edition of a tourist guide to Pisa makes this brave tilt at explaining why its famous tower leans. Although it can be considered a real masterpiece of architecture, this monument is mostly famous for its strong inclination...

Shop floor

Annual general meetings are traditional occasions for company chairmen to boast about what they are doing to improve business. But few, if any, offer shareholders an immediate tour of the shop floor to see for themselves...

High living

A dinner at Blenheim Palace convinced Keizo Saji, head of the Suntory whisky dynasty, that the time had come for Japan to refit its economy. The dinner, he told the UK-Japan 2000 group, had been a "very strong experience" of the "huge gap in the standard of living between Britain and Japan" and Japan should take the necessary steps to put it right.

Rate charge

The High Court was quite overwhelmed yesterday by the amount of interest shown in the case of the Liverpool and Lambeth councillors charged for failing to fix a legal rate. In addition to the score of lawyers occupying four rows of seats in the well of Court No 7, places had to be found for the 80 or so councillors anxious to attend the hearing...

Notice of Redemption to the Holders of Consolidated-Bathurst Inc.

Can\$40,000,000 17 1/4% Series J Debentures due 1987 NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Trust Deed of Hypothec, Mortgage and Pledge and the Deed of Trust and Mortgage both dated December 1, 1985 between Consolidated-Bathurst Inc. (the "Company") and Montreal Trust Company, as trustee, as amended from time to time including the Supplemental Trust Deed dated February 15, 1982 (collectively the "Trust Deeds"), the Company intends to redeem all its outstanding 17 1/4% Series J Debentures (the "Series J Debentures") on February 20, 1986 at the redemption price of 100 per cent of the principal amount thereof (the "Redemption Price")...

A large rectangular box containing a notice of redemption for Consolidated-Bathurst Inc. debentures. The text is dense and includes details about the redemption date, price, and contact information for the trustee, Montreal Trust Company. It also lists various paying agents in different countries.



"It's just knowing that we're not Cadbury-Schweppe's cup of tea anymore"

هكنا من الأهل

LAST NOVEMBER a computer at the Bank of New York, a small bank in Manhattan which specialises in settling transactions for other banks in the US government securities market, went on the blink.

Normally BONY takes securities from one bank, pays for them, passes them on to the purchasing bank and collects the money. But on November 21, BONY's computers took in the usual multi-billion dollar torrent of orders at one door and paid for them—but did not pass them on and collect the money at the other.

Money began to pour out of the bank. By 11.30 am, BONY's overdraft at the Federal Reserve Bank of New York had reached almost \$12bn, and still the transactions were rolling in.

By 1.15 pm, the tide was turning. The Fed's wave of orders subsided and Fed officials were able to calculate how big a loan BONY needed to get it out of the mess Wall Street had ever seen—\$2.6bn, double the size of the bank itself.

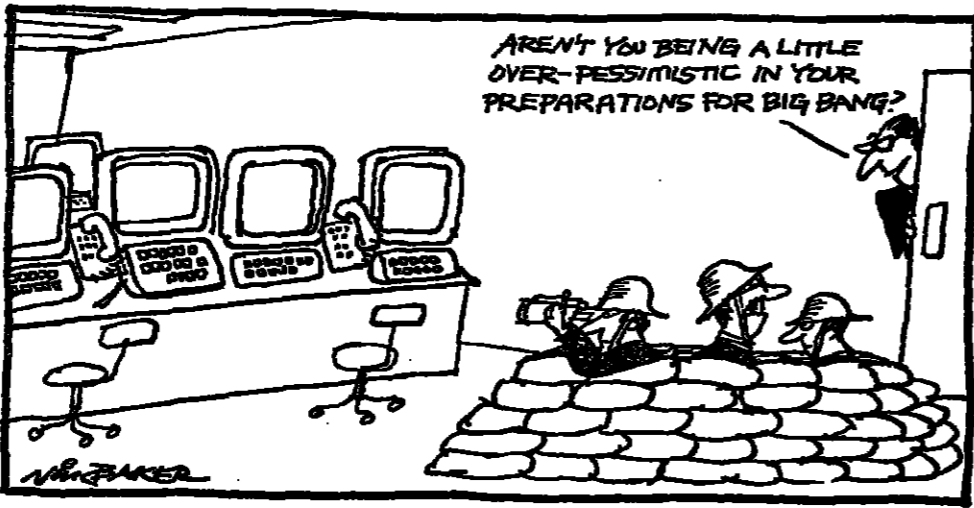
Fortunately, BONY was able to straighten itself out by lunchtime the next day and the Fed got its loan back (it was secured against the mountain of Treasury securities that had piled up on BONY's doorstep). But it was a hair-raising experience that can go wrong in a system as highly automated as the US Treasury market which turns over \$100bn worth of securities a day.

As Mr Paul Volcker, chairman of the Fed, told a subsequent congressional investigation of the crisis: "That work may seem mundane and tedious but it is essential to the system. When it is seen as essential."

The lesson was learnt not just in New York, but in London where the Bank of England and 29 other banks are setting up a government securities market closely modelled on the US, as part of the preparations for Big Bang—the deregulation of the UK securities markets on October 27.

Not that the UK gilt-edged market will be anything like the size of the American. Today it turns over only £1bn a day, so if trading volume doubles or even triples after Big Bang, as some people expect, it will still amount only to what Wall Street handles over breakfast.

UK gilts market



The backroom gets ready for Big Bang

By David Lascelles, Banking Correspondent

and the London institutions have drawn heavily on the US market in designing the new UK markets—and in setting up the complex "backroom" operations that will have to settle transactions.

Although US systems have traditionally been much more advanced than the British (one Wall Street investment banker likened them to a Ferrari and a cart horse), they have also had to endure many more dramas.

have good controls, and that they install efficient and secure computer systems to monitor dealing positions, execute transactions and supply the Bank with the daily trading information it needs to keep an eye on the market.

Through lacking the glamour of the more visible "front office" of Big Bang where high-flying dealers and salesmen are changing jobs at six-figure salaries, these backroom preparations are sucking up much more money and human effort.

between £25,000 and £40,000 to create a dealer position, including all the back-up. Kleinwort Benson, the merchant bank which is teaming up with Greenwich Grant, the stockbrokers, will have 350 of them in the cavernous new trading floor it is equipping on the first floor of its building in Fenchurch Street.

The hub of this complex new system lies in the heart of the City at the corner of Gresham Street and Princes Street, where the Bank of England and the Stock Exchange are setting up the Central Gilt Office—the clearing house for transactions in gilts—in what used to be known as the Jobbers' Counter in the days of paper-based trading.

computerised so that dealers will be able to buy—and pay for—gilts with electronic blips. It is a hectic time with the danger that some groups may not be ready for Big Bang, though all claim to be on schedule.

Another problem is that City groups do not know exactly what they are planning for. How big will the market be? How will people trade once the traditional functions of jobbers and brokers are merged?

Officials at the Bank of England, which will be responsible for smooth running of the gilt market, claim to be reasonably confident that everything is moving on schedule. Asks from the CGO role the Bank is installing equipment of its own to monitor the deal in the markets.

In one major respect, the City will differ from Wall Street. BONY, as a specialist, had won for itself 25 per cent of the clearing in the US Treasury market—a concentration which the UK banks avoid.

The new electronic clearing system installed by the banks two years ago (Chaps) also avoids the danger of "daylight overdrafts" like the one incurred by BONY.

On January 2, the CGO took its first steps in the electronic clearing. By the middle of this year it should be completely

UK water privatisation

White Paper sets sail for forked rivers

By David Kinnersley

IS THE spirit of the Government's planning for more privatisation now edging from determined to desperate? Keeping up the momentum is seen around Whitehall to depend increasingly on Ministers not even trying to grasp the complexities of changes they are hurrying to legislate.

First, Ministers find it awkward that private water companies already exist, outside the PSBR, and provide some a quarter of water supply in England and a few per cent of Wales. With dividends limited by law and low appeal to the general run of investors, despite easy-going though reliable management, these statutory companies are a Victorian model that Ministers do not now wish to spread more widely.

Secondly, routine privatisation is generally seen for the utilities as reversing an earlier nationalisation process. But the public does not perceive the water authorities as a nationalised industry.

But river basin guardianship has an operational side as well, carrying out land drainage and flood protection, stocking and balling fisheries and enforcing pollution control. These activities are for community benefit, not services to individual customers.

their behalf. Most obvious of all to users, water authorities get most of their income from demands linked to rateable value, not service taken. This is nothing like a nationalised utility, let alone a would-be nationalised company (pic).

The middle of how water authorities get their income

and costly as that would be) or to live off the rates, hardly a basis for real privatisation. Again, water and sewerage undertakings differ from gas and electricity in having no operational or financial responsibility inside the curtilage of connected properties.

But river basin guardianship has an operational side as well, carrying out land drainage and flood protection, stocking and balling fisheries and enforcing pollution control. These activities are for community benefit, not services to individual customers.

Occupying the hot seat

From Mr M. Lewis
Sir—The last paragraph in Peter Riddell's article of January 11 summarises the situation perfectly. Michael Heseltine would find it very difficult to act differently from Mrs Thatcher if he ever got to 10, Downing Street.

Minutes of meetings

From Mr G. Sharp
Sir—The article of Peter Riddell's in the "Irresistible force at No 10" (January 11). Are Cabinet minutes distorted by not disclosing a minority view or a promised meeting, as alleged by Mr Heseltine in the doctrine of Cabinet responsibility means that a Minister must accept and propagate a policy affecting his own Ministry which he believes to be wrong?

A sledgehammer as a remedy

From Mr J. Road
Sir—So now we have it—that remedy for all City ills—the Financial Services Bill. The Bill contains 174 pages of tightly worded provisions which will exercise the minds of many senior people engaged in the City's financial businesses for many months to come.

Letters to the Editor

Building societies insist that only exceptionally, and with written consent, can any part of mortgaged properties be occupied by persons other than the borrowers and their families. The same position prevails with renovation loans to which increasing numbers of people have to resort with the Government's rundown of grant aid.

Investment projects

From the Chairman, British Airports Authority
Sir—Anatole Kaletsky advocates (Lombard, January 3) making better use of existing facilities before embarking on what he describes as "grandiose investment projects."

Finance for a deal

From Sir John Mullaiber
Sir—I have followed with interest the Westland developments. A question which occurs to me is that "How does British Aerospace propose to finance its participation in the consortium?"

Abolish capital gains tax

From Mr L. Littman
Sir—In the run-up to the Budget, it seems appropriate to draw attention once more to the anomaly of capital gains tax. Not only does its abolition form part of the Conservative Party's manifesto, but successive Chancellors have drawn attention to its inequity and to the necessity for repealing or, at the least, remedying its principal defects.

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The truth about car telephones

Advertisement for National Radiofone car telephones. Includes text about features, costs, and equipment, along with a map of the UK and a contact form.

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday January 15 1986

Showing the way in telecommunications

FERRANTI

E.F. Hutton reshuffles top management posts

BY WILLIAM HALL IN NEW YORK

E. F. HUTTON, the big Wall Street brokerage firm whose reputation has suffered from a series of management mishaps in recent years, announced yesterday a further top management reshuffle which the company described as "the broadest reorganisation" in its history.

The company, whose out-of-date management practices have come under fire during the past year, is reorganising all its units, including its support staff and operations, into two groups to "place authority for implementation as closely as possible to the point of sale."

Strong rise at First Chicago

By Our New York Staff

FIRST CHICAGO, the 10th biggest US banking group, which has attracted the attention of US bank regulators because of the erratic nature of its financial performance in recent quarters, yesterday reported a 7 per cent rise in its fourth-quarter net income to \$59.4m.

Rhône Poulenc chief supports privatisation

BY DAVID MARSH IN PARIS

MR LOIK Le Floch-Prigent, chairman of France's state-owned chemicals group Rhône Poulenc, yesterday came out in favour of partial denationalisation of the company.

based on the traded stock market price of the FFf 1.14bn worth of certificates d'investissement (non-voting preference shares) launched in October.

Texas Oil profit slides 43% as high gas supply hits price

BY TERRY DODSWORTH IN NEW YORK

TEXAS OIL and Gas, the Dallas-based energy group that is planning a merger with US Steel, the nation's largest steel producer, suffered a 43 per cent decline in net profits in the three months to November last year as it continued to suffer from abundant gas supplies.

In the final three months of 1985, First Chicago increased its loan loss provisions by 50 per cent to \$90m. However, the increase in provisions was more than offset by a near \$50m jump in non-interest income in the three-month period.

Setback for Volvo as Cardo board rejects higher offer

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

VOLVO, the Swedish automotive, energy and food group, yesterday suffered an important setback in its SKr 3.27bn (\$430m) bid for Cardo, the investment group with industrial interests in sugar, seeds and plant genetics, when the Cardo board recommended rejection of the offer.

But in August last year Tamolli was put into receivership by a Milan court at the request of the company. It was said to have debts of £200bn.

Apple earnings rise despite fall in sales

BY LOUISE KEHOE IN SAN FRANCISCO

APPLE COMPUTER, the California-based personal computer manufacturer, yesterday reported record first-quarter earnings despite a 23 per cent drop in sales.

Conrail head defends independence

By Our New York Staff

MR STANLEY CRANE, chairman of Conrail, the government-controlled US East Coast railway, made a strong plea for independence yesterday as he announced figures showing record earnings of \$1.0m in the final quarter of last year.

Only minutes before the Cardo board was due to meet Volvo announced an improved offer, but this was rejected by the Cardo board, which is to hold a meeting for shareholders next Wednesday to explain the reasons for its rejection.

Learjet, Piaggio end venture

BY ALAN FRIEDMAN IN MILAN

GATES LEARJET, the US aircraft maker, has withdrawn from a joint venture with Rinaldo Piaggio of Italy to manufacture a new generation of business aircraft known as the GP-190. No reason was given for the termination.

Sharp gains by Johnnies in quarter

By Kenneth Marston, Mining Editor, in London

THE LATEST increases in profits of South African gold mines which have received a record domestic gold price in the December quarter come from the companies in the Johannesburg Consolidated ("Johnnies") and Anglovaal groups.

SAINSBURY'S
J Sainsbury plc
Issue of up to
£100,000,000 10 3/8 per cent. Notes 1993
of which £60,000,000 has been issued as the Initial Tranche
at an Issue Price of 100 per cent.
S. G. Warburg & Co. Ltd.
Banque Bruxelles Lambert S.A. Banque Paribas Capital Markets Limited
Barclays Merchant Bank Limited Baring Brothers & Co., Limited
County Bank Limited Credit Suisse First Boston Limited
Dresdner Bank Aktiengesellschaft Genossenschaftliche Zentralbank AG-Vienna
Goldman Sachs International Corp. Lloyds Merchant Bank Limited
Samuel Montagu & Co. Limited Morgan Guaranty Ltd
Nomura International Limited Salomon Brothers International Limited
Swiss Bank Corporation International Union Bank of Switzerland (Securities) Limited
Wood Gundy Inc. Yamaichi International (Europe) Limited

On the Fifteenth of January, 1886,
precisely one hundred years
ago to this day,
A bank was founded.
EG
THE PRIVATBANK
ESTABLISHED 1886
E. GLITZWILLER & CIE BANQUIERS
CH-4001 BASLE 7 KAUFHAUSGASSE SWITZERLAND

Agnelli family group result

By Our Milan Correspondent

IFI, the Agnelli family holding vehicle which controls 31.3 per cent of the Fiat group, yesterday announced a L14bn (\$67.5m) consolidated net profit for the nine months which ended in March 1985. There are no comparable figures because IFI has switched its year-end from June to March.

INTERNATIONAL COMPANIES and FINANCE

Hitch hits Turner's bid for MGM-UA

BY OUR NEW YORK STAFF

MR TED TURNER, the flamboyant TV entrepreneur from Atlanta, appears to be having difficulties completing his \$1.5bn acquisition of MGM-UA Entertainment, the Hollywood film production and distribution group.

MGM-UA and Mr Turner's Turner Broadcasting Systems announced that they were having discussions "with a view to a possible restructuring of the agreement."

Mr Turner began takeover talks with MGM-UA last summer after an ill-fated attempt to take over CBS, which controls the largest of the big three US TV networks. He signed a definitive merger agreement on August 2 when he agreed to buy MGM-UA for \$29 a share in cash.

As part of the deal, Mr Turner agreed to sell United Artists back to Mr Kirk Kerkorian, the financier, for about \$470m.

Two months later the terms were revised and MGM-UA shareholders were offered \$25 a share in cash and one share of a new issue of TBS preferred stock for each of their shares.

Earlier this month a special shareholders meeting to vote on the acquisition was postponed because the US Securities and Exchange Commission had not finished processing the documents related to the meeting.

Mr Turner plans to finance the deal with the proceeds of various issues of so-called "junk bonds" - securities rated below investment grade by the credit-rating agencies. It was not clear last night whether the latest proposed restructuring of the takeover was as a result of difficulties in raising finance.

An ambitious Dutch bank opens a London office. David Lascelles reports Rabobank forms link in international chain

AGRICULTURAL banks have been among the slowest to expand internationally. It is only in the last two years that Crédit Agricole, the world's largest, and Norinchukin, its Japanese counterpart, have opened branches in London.

The latest of the breed to arrive is Rabobank of the Netherlands; its branch will be officially opened tomorrow. Fittingly, the ceremony will be conducted by Mr Pierre Lardinois, best known as the former EEC Agricultural Commissioner, who is now chairman of the bank's executive board.

"We want to be an important bank in the agri-business internationally," he said at the bank's dramatic glass-fronted headquarters in Utrecht (designated, rather unexpectedly, by the chief architect of Dutch State Buildings, Team which Rabobank leased the land).

Like many other agricultural banks, Rabobank is unusually structured. Created out of a merger of the two Dutch co-operative banks, Raiffeisenbank and Boerenbank in 1972, it is a co-operation of 987 tiny independent community banks with a central bank, Rabobank Nederland, which administers the group, sets its targets and handles its affairs in the wholesale markets.

The bank has no owners, though local farmers are members - a status which makes them liable for the group's losses, though it also entitles them to credit, sometimes on favourable terms. In practice, this liability has never materialised. Rabobank has always retained all its profits, and a catastrophe would have to wipe out all its Ft 6.7bn (\$3.42bn) of disclosed reserves, plus its hidden reserves, before members would be called on for the maximum Ft 3,000 they are each liable for.

According to Mr Lardinois, the bank has the highest capital ratios of the Dutch banks (disclosed reserves are equivalent to 5.5 per cent of assets and earned itself a rare triple-A rating from the US credit agencies).

Although in asset terms, Rabobank is not the largest Dutch bank



Mr Pierre Lardinois, chairman of Rabobank's executive board

(that honour goes to ABN), it has by far the largest banking business in the Netherlands, and its 2,400-strong branch network exceeds all the other banks put together. Its grass roots character has made it the dominant force in both

the farm lending business (where it has 90 per cent of the market) and in the savings market (where it has 40 per cent). This does, however, expose it to the vagaries of rural economics. It suffered a sharp downturn in earnings in 1982 when the Dutch recession was at its worst.

But following a drive to diversify its lending, agri-business loans now account for only 30 per cent of its portfolio. Rabobank has also launched a big lobbying effort in The Hague to remove (or share in) the tax privileges enjoyed by its big competitors, the life insurance companies and the pension fund.

Rabobank also has 25 per cent of the Dutch home loans market, and is negotiating to buy a ship mortgage bank which it helped rescue last year.

With this strong domestic expansion Rabobank's overseas operation has begun in earnest in the last few years. The bank has offices in Curaçao, New York, Antwerp, Paris and London, and it participates in jointly owned banks in Germany and the UK. It is also a

member of the Unico group of five European co-operative banks. This year it hopes to open an office in Singapore and extend its activities in the Far East.

Mr Lardinois prefers to talk in terms of financing agri-business rather than farming, partly because it is a broader term which covers farming-related lending, but also because Rabobank does little direct lending to farms abroad.

In the US, where its expansion has been greatest, Rabobank has a balance sheet of \$1.7bn and \$500m of additional commitments, and has drawn some questioning glances from other banks for boosting its exposure to the agricultural sector at a time when many US farmers are in dire straits and farm banks are going out of business.

Mr Lardinois explains that Rabobank is not taking on any direct exposure to farmers, but is working through farm banks and loan participations. "We're not afraid of agri-business in America. The underlying business is so strong that it's a good one to get involved in."

NOTICE OF PREPAYMENT THE SAITAMA BANK, LTD. (Incorporated in Japan) U.S.\$20,000,000 Floating Rate Certificates of Deposit

Anglovaal Group

Mining companies' reports - Quarter ended 31 December 1985

Hariboevestian Gold Mining Co Ltd. Issued capital: 112 000 000 shares of 10 cents each. Operating results: Gold recovered 7 203.56 kg, Revenue 243.73, Costs 89.50, Profit 154.23.

Eastern Transvaal Consolidated Mines Ltd. Issued capital: 4 316 678 shares of 50 cents each. Operating results: Ore milled 89 500 mt, Gold recovered 847.29, Revenue 268.88, Costs 59.81, Profit 209.07.

Lorraine Gold Mines, Limited (continued). Quarter ended 31 Dec 1985. Financial results: Working profit - gold mining 17 004, Non-mining income 19 500, Profit after taxation 12 115.

Village Main Reef Gold Mining Co (1934) Ltd. Issued capital: 8 088 448 shares of 12.5 cents each. Operating results: Gold recovered 195 590 kg, Revenue 17.66, Costs 10.64, Profit 7.02.

Plaska Copper Mines (Pty) Ltd. Issued capital: 54 000 000 shares of 50 cents each. Operating results: Ore milled 722 000 mt, Concentrates produced 22 752 mt, Revenue 22 345, Costs 25 128, Profit 27 703.

Consolidated Murchison Ltd. Issued capital: 4 150 000 shares of 10 cents each. Operating results: Ore milled 398 000 mt, Gold recovered 2 101.28 kg, Revenue 140.59, Costs 30.54, Profit 54 285.

Lorraine Gold Mines Ltd. Issued capital: 18 368 986 shares of R1.00 each. Operating results: Ore milled 398 000 mt, Gold recovered 2 101.28 kg, Revenue 140.59, Costs 30.54, Profit 54 285.

Lorraine Gold Mines Ltd. (continued). Financial results: Working profit - gold mining 17 004, Non-mining income 19 500, Profit after taxation 12 115.

Lorraine Gold Mines Ltd. (continued). Financial results: Working profit - gold mining 17 004, Non-mining income 19 500, Profit after taxation 12 115.

Sybron faces \$266m leveraged buy-out bid

BY OUR FINANCIAL STAFF

SYBRON, the US medical and dental products manufacturer, has received its second buy-out proposal in four months through a \$266m all-cash offer from Montgomery Securities and Morgan Guaranty Trust.

The suitors plan to take the company private in a leveraged buy-out. The first offer, made in September, came from management, and was terminated a month later.

The latest suitors propose to offer \$24 for each Sybron common share and \$38.40 for each preferred share. Sybron's shares closed at \$21 1/2 on Monday, and in early trading yesterday rose 5/8 to \$22 1/4.

Mr Jack Levin, a general partner of Montgomery Securities, said the group had a proposal from Morgan Guaranty to lead a syndicate of banks, institutions and other

investors to finance the buy-out. Sybron, based in Rochester, New York, had revenues of \$301m and net income of \$19.2m in 1984, when it completed a big restructuring. Apart from medical and dental products it also makes laboratory equipment and special chemicals.

Dr Richard Propper, managing general partner of Montgomery Medical Ventures, a limited partnership formed by Montgomery and a unit of Morgan Guaranty, said: "Sybron's unusual structure of small independent companies, each with their own channels of distribution, will provide operating synergies for many of our present and future investments. Consequently, I believe we can provide additional value to Sybron in excess of that which currently exists."

Arco to settle \$243m tax bill

BY OUR FINANCIAL STAFF

ATLANTIC RICHFIELD has agreed to pay Alaska taxes of \$243m to resolve a long-standing dispute. The move follows the rejection this week by the US Supreme Court of an appeal by several major oil groups which challenged the constitutionality of the tax.

The companies - Arco, British Petroleum, Exxon and Standard Oil of Ohio - claimed the levy was unlawful because it amounted to double taxation. Alaska taxed the companies - main owners of the Prudhoe

Bay oilfield and of the Alaska Pipeline - on oil transported to other states, and it was taxed there as well. The suit concerned about \$2bn of taxes paid from 1978 through 1981 (when the tax was replaced by another levy). Alaska claimed profits earned from Alaskan oil production in the period totalled \$2.1bn.

Arco said 1988 earnings would not be affected by the payment as it is covered by previously established reserves.

U.S. Quarterly Results

Table with 4 columns: Company, 1985-2, 1984-4, 1985-4, 1984-4. Rows include PANTHY PRIDE Supermarkets, COAL INDUSTRIES Automotive, aerospace parts, ROWAN COS. Contract drilling, AMERICAN HOST & BERRICK Lining, construction equipment.

U.S. \$30,000,000 ZENTRALSPARKASSE UND KOMMERZIALBANK-WIEN Floating Rate Subordinated Notes Due 1991 Interest Rate 8 3/4% per annum

US\$200,000,000 Fuji International Finance (HK) Limited Guaranteed Floating Rate Notes Due 1996 Guaranteed as to payment of principal and interest by The Fuji Bank, Limited

INTERNATIONAL COMPANIES and FINANCE

Exchanges rush to issue Ecu futures contracts

BY ALEXANDER NICOLL

THE EUROPEAN currency unit (Ecu) is by no means as tangible as the live hogs, or even the currencies, upon which futures are traded in Chicago. Nor as the centrepiece of a system designed to protect Europeans from exchange rate fluctuations, would it immediately spring to mind as a natural vehicle for the speculative atmosphere of the pits. Yet exchanges are flooding the market with new Ecu contracts. The Chicago Mercantile Exchange is due today to launch Ecu futures. The European Options Exchange in Amsterdam was first of the market last month with Ecu options, followed last week by futures at the New York Cotton Exchange. The Philadelphia Stock Exchange plans to launch options on February 7, and several other exchanges plan to enter the game. The contracts offer the means to take a position on the dollar's general direction without having to assess the prospects for each individual component of the 10-currency basket — though the Ecu does move closely in line with its largest components, the Deutsche mark and French franc. The contracts could also be used to obtain cover in smaller European currencies, which may be difficult or costly to achieve at present. They may prove attractive to banks and others wishing to cover specific exposures to Ecu-denominated currency, deposit and capital markets, as well as to European and multinational companies, which are increasingly using the Ecu. The beginnings have been tentative as with most new futures contracts. The NYCE did an encouraging 1,727 lots, worth Ecu 100,000 each, on the first day, after receiving since November an enthusiastic response to a dollar index futures contract, based on the Federal Reserve Board's index. This was the first currency futures contract allowing a position to be taken on one-

rather than on one currency against another. It was also the NYCE's first venture into financial futures. Mr. Hux Taylor, vice chairman of FINEX, the NYCE unit set up for the new contracts, sees them attracting speculative interest from local traders who have been frustrated by the decline of many of New York's commodity futures contracts and the growth in Chicago of financial futures. He expects a good deal of spread trading between the NYCE's Ecu index and Ecu contracts. The CME and the Philadelphia Exchange, market leaders respectively in currency futures and options, believe Ecu business will more naturally be done on their floor. Arbitrage between currency and Ecu futures, some dealers feel, may be more appealing than between the NYCE's Ecu and dollar index contracts, which may appear to be simply mirror images of each other — both essentially offering speculators the chance to bet on the dollar's overall direction. At the moment, only two or three of the possible arbitrage trades to succeed, as futures and options trading tends to gravitate towards the most liquid contracts. Since futures and options trading in the volatility of the underlying instrument, a period of dollar instability would undoubtedly help the exchanges' marketing efforts. The most likely customers are international banks, as well as Ecu has already become virtually like any other currency in the foreign exchange and interbank deposit market. The spot market in Ecu is well developed, though the forward market is still concentrated in fairly short dates, with relatively little business beyond a year. Bankers expect futures trading to bring forward market's development. Some futures adherents believe the new contracts could even replace the forward market, particularly in

Computer trading trial for Paris bourse

By David Marsh in Paris

THE PARIS bourse intends to bring in experimental computerised trading in July to help it keep pace with competition from rusting foreign stock markets, especially London. Mr. Xavier Dupont, chairman of the French stockbrokers association, said yesterday. He also said a morning trading session in the 50 most active stocks in Paris would start before the end of March. Both measures correspond to previously announced steps to modernise the stock market, where trading is still carried out by open outcry with quotes chalked up on blackboards. Mr. Dupont made clear at a press conference yesterday that the bourse had no alternative but to press ahead with reforms to meet the challenge from London. The "Big Bang" of October this year is expected to lift further the appetite of London-based securities houses for doing business in Continental Europe. Plans to introduce computerised trading in Paris have already been under discussion for several years but have been delayed. The morning session — a trading period from 9.30 to 11.00 in addition to the regular session of 12.30 to 14.30 — was originally due to have been introduced by the end of last year. A futures market for bonds and other debt instruments, originally planned to have Ecu exposure, has also been delayed. Bourse officials say this is now planned to start on February 15. The computerised trading scheme, making use of the Computer Assisted Trading System (CATS) of the Toronto stock exchange, will provide continuous dealing and quotation possibilities for selected stocks between 10.00 and 17.00. The market will be with five stocks, rising progressively to 50 by July 1987, when Paris aims to have its own computerised system, Mr. Dupont said.

Eurodollar floaters well received

BY MAGGIE URRY

THE EURODOLLAR bond market steadied yesterday and ended the day slightly firmer after the New York bond market opened stronger. Borrowers are beginning to take an interest in the market once more, but traders are still nervous and question whether the market is too fragile to bear the weight of a new deal. The boater market is more receptive, though, and two issues were launched yesterday with more momentum. New Zealand is raising \$350m through a 15-year deal led by Salomon Brothers, and Commerzbank launched a \$100m issue with warrants to buy a fixed rate D-Mark bond with a potential size of DM 250m, for a financing subsidiary of the bank. New Zealand's deal will pay interest at the offered rate for six-month London inter-bank deposits (Libor) and front-end fees were set at a total of 40 basis points. Paper was being placed as high as 99.70, making it a profitable deal for co-managers. Commerzbank's seven-year non-callable FRN met demand as it offered a margin above Libor and was attractive for good quality borrowers. The interest rate will be set at 1/2 per cent above the three-month mean rate between Libor and Libid (Limesan), with commissions of 30 basis points. The bond was trading comfortably above par, exceeding 100.20 at one point. The 250,000 attached warrants, priced at \$184, give the right to buy a seven-year non-callable bond with a 6 1/2 per cent coupon. They can be exercised during four periods, the last in February 1987, at an exchange rate to be fixed. After an initial strong start, the warrants slipped back to around \$174 as option theorists ran the figures through their computers and decided that they were slightly expensive at the issue price. In the equity-linked sector Nikko Securities (Europe) launched a \$30m issue with equity warrants for Tateho Chemical with a five-year life and an indicated 8 per cent coupon. It was trading above par. Nomura International set terms for Kobe Steel's \$100m issue with equity warrants at the indicated 5 1/2 per cent coupon and par issue price. Apart from the Commerzbank deal, the first D-Mark issue of the year appeared, a DM 200m private placement for the World Bank. This six-year deal is led by Deutsche Girozentrale and terms were set at a 6 1/2 per cent coupon and 99 1/2 issue price. In the secondary market D-mark Eurobonds were mixed in dull trading with prices firming towards the close. The Euro-French franc market is in fair shape with traders not yet greatly affected by prospects of a realignment of the EMS widely expected in the spring. Aeroports de Paris is raising FF 350m with an issue maturing in January 1993 but with a 6.02-year average life. The coupon was set at 10 1/2 per cent and issue price at 100 1/2 per cent by Credit Commercial de France. Fees total 1 1/2 per cent and the bonds were trading comfortably within that discount. Last week's Council of Europe issue is now trading above its 100 1/2 issue price. The Swiss franc foreign bond market is also receptive to new deals, which have been flooding in. One public deal, a SFR 50m 10-year bond for Del E. Webb, a US construction and casino company, was placed by Salomon and Sottif. The coupon is 6 1/2 per cent and issue price par. The deal is connected to a swap into dollars. In the private placement market Sweden is reorganising its Eurobonds — a SFR 200m seven-year deal led by Credit Suisse. The coupon is 5 per cent and issue price 100 1/2. SBC is leading a two-tranche deal for Oesterreichische Kontrollbank, guaranteed by Austria. The first SFR 50m portion has a three-year life, a 4 1/2 per cent coupon and par issue price. The second SFR 50m deal is for seven years with a 5 per cent coupon and 10 1/2 issue price. Bond prices were slightly lower where changed in average volume yesterday with dealers still largely ignoring the New York market's moves. Donaldson Lufkin & Jenrette's SFR 300m 10-year issue started trading yesterday, closing at 99 compared to the par issue price. The coupon is 5 1/2 per cent. The rush of borrowers into the Euroyen market continues. Hydro-Quebec launched a Y100m eight-year deal led by Yamaichi International (Europe). The coupon is 6 1/2 per cent and issue price 10 1/2. Fees totalled 2 per cent within that discount though they said little activity was seen. More issues are expected in the market and although the domestic Yen bond market has held up well, some dealers doubt whether the Euroyen sector can stand up to too much new paper.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on January 14

Table with columns: US DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, YEN STRAIGHTS. Includes bond names, issued dates, and prices.

Euro-equity deal for Swiss Volksbank

By Alexander Nicoll

SWISS VOLKSBANK, the cooperative bank, yesterday launched the first Euro-equity deal of 1986, a SFR 147m issue of 60,000 bearer shares which will represent 5.2 per cent of its equity capital. Separately, it also announced a one-for-10 rights issue to raise SFR 177m. The international issue lead managed by Swiss Bank Corporation International with Swiss Volksbank London, will be priced next week at about a 3 per cent discount to the market price, which was SFR 2,530 yesterday. The discount is being granted because investors will not be entitled to receive dividends for 1985. But they will be able to participate in the rights issue, which comprises 103,000 registered shares priced at SFR 1,450 and 180,000 non-voting participation certificates at SFR 145. The issues are the latest in a series by Swiss Volksbank. Last September it launched a \$75m five-year Eurobond issue with equity warrants attached, accompanied by a SFR 125m domestic warrant issue.

MoF to ease on Euroyen bonds

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of Finance intends to ease its regulations covering the issue of Euroyen bonds — as foreign bonds, it was learnt over the weekend. No timing for this move is, however, likely to be announced until the completion of discussions with the Libor and securities houses. Foreign companies with an AA rating were given unconditional permission in 1984 to issue Euroyen bonds. Single A-rated foreign borrowers' access to the market depends on their being able to meet strict equity/debt ratios, which vary according to net worth. The MoF appears to have yielded to pressure from the US to amend this unwieldy standard in favour of unconditional access for foreign borrowers rated A or better. Japanese borrowers will continue to be selected by the traditional criteria, although the MoF acknowledges the growing use of domestic rating services.

However, resident borrowers will be permitted from this spring to issue floating-rate Euroyen bonds — as foreign companies have been allowed to do since last June. A further step under study by the Ministry is the relaxation of the rule prohibiting for six months the sale to Japanese residents of Euroyen bonds issued by Japanese companies. The Tokyo authorities are keen to enhance the marketability of Euroyen bonds. Under Ministry of Finance guidelines, life insurance companies are allowed to place only 10 per cent of their total assets in foreign bonds. But institutions may invest up to 20 per cent of subsequent monthly net increase in assets once the ceiling is reached. Non-yen bonds and Euroyen bonds issued by Japanese resident borrowers fall outside this 10 per cent ceiling. The life insurance companies, where accumulated foreign securities are rapidly approaching 10 per cent, have been driven to buy massive amount of Eurobonds issued by Japanese companies.

Samurai concession for public bodies

THE JAPANESE Ministry of Finance (MoF) has relaxed restrictions on yen-denominated samurai bond issues by foreign public entities for private placement, opening the way for issuers which have floated publicly offered samurai bonds

to the market depends on their being able to meet strict equity/debt ratios, which vary according to net worth. The MoF appears to have yielded to pressure from the US to amend this unwieldy standard in favour of unconditional access for foreign borrowers rated A or better. Japanese borrowers will continue to be selected by the traditional criteria, although the MoF acknowledges the growing use of domestic rating services.

privately placed samurai market. The official said the MoF would require the banks to set terms that keep issue costs at least as high as those for publicly offered bonds, in order to deter large-scale private placements.

Rate cut hopes lift Tokyo

THE Japanese Government bond market closed higher on speculative buying by major Japanese securities houses on the belief that prices had hit near-term lows. The yield of the new bellwether 6.2 per cent 10-year 75 government bond was 5.70 per cent against 5.85 and the yield of the 6.8 per cent No 68 bond was unchanged at 6.00 per cent. Growing expectations of a Japanese discount rate cut after the G-5 meeting next weekend in London supported prices. Also, traders closing their positions ahead of Wednesday's national holiday and covered many short positions.

Domestic bond markets

Table with columns: DOMESTIC BOND MARKETS, Rate cut hopes lift Tokyo. Includes bond names, prices, and yields.

Frankfurt firms

German bond prices ended firmer in quiet trading in Frankfurt, with two fairly large foreign buying orders injecting optimism after the recent spell of declining prices. Longer maturities firmed between 10 and 15 pennings but shorter maturities remained largely unchanged. The Bundesbank sold DM 53.5m of domestic paper after buying DM 15.3m yesterday. The recent 6 1/2 per cent 1995 and 6 1/2 per cent 1995 Government loan stock rose 20 and 25 pennings to 101.10 and 102.65 respectively.

Zurich little changed

In Zurich public bonds traded mostly unchanged but warrant bonds issues by major banks and industrial companies closed slightly firmer. Agencies.

Advertisement for North Carolina Phosphate Corporation, The Williams Companies, Texasgulf Inc., and Elf Aquitaine, Inc. Includes contact information for Morgan Stanley & Co.

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Goldman, Sachs & Co.

New York Boston Chicago Dallas Detroit
Houston Los Angeles Memphis Miami
Philadelphia St. Louis San Francisco
London Hong Kong Tokyo Zurich

December 20, 1985



INTL. COMPANIES & FINANCE

Second reprieve for Pan-Electric

BY CHRIS SHERWELL IN SINGAPORE

MR TAN KOON SWAN, the beleaguered Malaysian entrepreneur and politician, yesterday won a second extension on an S\$8m (US\$3.76m) cash injection sought for Pan-Electric Industries by Eric Waterhouse, receivers for the ailing marine salvage, property and hotel group in Singapore. The reprieve conveniently postpones difficulties, both for Mr Tan, who is believed to be financially stretched at present, and for Pan-Electric's S7 bank creditors, who would prefer not to liquidate the company. Eric Waterhouse's demand for the S\$8m was made under

the terms of a rescue plan agreed last month with the banks and Mr Tan, who indirectly holds a 22.6 per cent stake in Pan-Electric. The plan called on Mr Tan to inject up to S\$40m in working capital into the company, S\$20m of which he had already committed. He also had to take on personally Pan-Electric's controversial commitments to purchase S\$140m worth of shares, mainly in his companies. In return, the banks agreed to suspend interest and principal repayments on Pan-Electric's debts, estimated to

total S\$400m, for three months. A full financial restructuring would meanwhile be worked out. Pan-Electric's receivers first sought the fresh S\$8m injection at the turn of the year, and set a deadline of January 7. This was extended by a week, and yesterday it was extended again, probably for another week. The reason for which, apparently, this was made possible was that Pan-Electric had sufficient funds to keep ticking over. But the decision plainly staved off the day of reckoning.

The cost is a weakening of the threat behind the next deadline, but some bankers maintain that its importance has lessened anyway, as Pan-Electric has come to look increasingly doomed to fail. The focus of attention, they argue, has shifted to those local brokers who expect Mr Tan to honour his forward share purchase commitments. These brokers also face a problem on other forward share obligations, which almost certainly cannot be met. The total value of outstanding forward contracts is officially put at S\$600m.

Nomura's overseas side helps lift profits 52%

BY OUR FINANCIAL STAFF

NOMURA SECURITIES, Japan's largest brokerage house, boosted group net profits 51.8 per cent to ¥110,976m (S\$47m) in the year ended December 31, a period which it says was characterised by our efforts to internationalise operations. The results announced yesterday included the consolidation of subsidiaries abroad. For the parent company alone, Nomura had earlier reported a 32.7 per cent net gain to ¥85,455m. Group revenues rose 34.9 per cent to ¥588.6bn, more than half of which was attributed to "international-related business." Commission proceeds on sales of equities and convertible bonds were up 29.8 per cent to account for 46.8 per cent of all incomes. Stronger advances were shown, however, in revenues

from underwriting and trading, up 48.8 per cent and 47.1 per cent respectively, to represent a fairly evenly spread 23.5 per cent of Nomura's business. The bulk of the remainder was accounted for by interest and dividend receipts. These rose 33.1 per cent. Despite a 24.6 per cent rise in overall expenses to ¥340bn, pre-tax profits emerged 54 per cent ahead at ¥248,589m. Net earnings per share were ¥64.324 against ¥42.711. **● Trading volume in foreign shares listed on the Tokyo Stock Exchange reached ¥853.34bn last year, more than nine times the previous year's level of ¥93.15bn. This reflected a 28-fold rise in unit terms to 131.42m shares, and a near-doubling in the number of companies listed from 11 to 21.**

Norwegian civil engineer takes over US group

BY WILLIAM HALL IN NEW YORK

SELMER SANDE, Norway's largest civil engineering and construction company, is entering the US construction industry by buying a majority interest in E. W. Howell, a New York construction company. Selmor Sande, who was formed from the merger of Norway's two largest construction companies in 1984, has sales of around \$480m a year and is best known internationally for its work in offshore construction in the North Sea. Howell, based in Washington on Long Island, has an annual turnover of around \$125m and has concentrated recently on building regional malls and retail chains. Among several projects which it has recently completed are the New York headquarters for the Hong Kong and Shanghai Bank and the Plaza Athenaeum Hotel.

Mr Erik Sande, chairman of Selmor Sande, said his company had reached the point "where further growth is only possible abroad, and we feel that the American market presents some of the best opportunities." Howell, which ranks number 163 in the top US 400 construction companies, said the Norwegian investment would give it a "much stronger financial base." Both companies declined to quantify the size of the investment or the impact on the Norwegian company's earnings. Howell's management will remain unchanged and will retain a sizable stake in the company. Selmor Sande said that over the long term it hoped to establish Howell in the heavy construction end of the US industry.

Cominco and Lornex set up copper complex

By Kenneth Marston, Mining Editor

CANADA'S Cominco and Lornex mining companies are aiming to create one of the world's biggest low-cost mining and milling complexes by combining and expanding their copper operations in the Highland Valley of British Columbia. The companies have signed an agreement in principle to create a complex capable of producing more than 400m lb a year of copper concentrate, and significant amounts of silver and gold. Molybdenum may also be produced if selling prices warrant. The expansion will involve Cominco's higher grade mine, the capacity of which will be raised to 1.2 million tonnes to supply both mills with about 120,000 tonnes of ore per day. The two companies will have equal control of the entity which will operate the combined venture. However, Cominco will provide 55 per cent of the working and other capital needs with Lornex providing 45 per cent. Cash generated from the combined operations will be shared on the same basis. Cominco is controlled by Canadian Pacific while Lornex is part of the Rio Tinto-Zinc group. **● Noranda, the loss-making Canadian resources group, has split operations into a number of separate subsidiaries as part of an effort to improve performance, writes Bernard Simon in Toronto.** Mining and forest products businesses will be grouped in two new units. Noranda Minerals and Noranda Forest. Similar steps will be taken later for the company's manufacturing and oil and gas operations. Mr Alfred Powell, chairman, said the reorganisation was designed so that "clear accountability and responsibility be established for achieving results from strategic areas." Noranda's financial problems, arising mainly from low commodity prices, have caused growing concern among investors and securities analysts. Its share price has dropped sharply over the past year. The company posted losses of C\$4.9m (US\$3.2m) in the nine months to September 30.

IRELAND US\$25,000,000 8 1/2% Bonds 1989

S.G. WARBURG & CO. LTD. announce that the redemption instalment of US\$1,500,000 due 15th February, 1986 has been met by purchase in the market to the nominal value of US\$437,000 and by a drawing of Bonds to the nominal value of US\$1,063,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:-

24	32	40	102	131	180	201	230	238	248
258	263	274	330	340	343	360	370	378	378
396	423	444	464	482	470	516	526	553	580
646	685	683	688	694	740	749	785	785	790
814	829	837	848	878	888	897	948	958	977
1056	961	1008	1008	1016	1016	1016	1054	1054	1102
1109	1118	1128	1184	1192	1220	1235	1280	1287	1304
1316	1327	1387	1374	1504	1512	1518	1540	1551	1563
1686	1712	1719	1719	1719	1719	1719	1719	1719	1719
1987	1984	2044	2050	2050	2052	2098	2122	2138	2147
2167	2181	2199	2228	2251	2260	2269	2275	2298	2303
2347	2347	2358	2365	2365	2365	2365	2365	2365	2365
2509	2526	2548	2570	2576	2576	2603	2610	2618	2628
2678	2688	2688	2674	2702	2708	2762	2769	2775	2782
2791	2797	2832	2840	2846	2870	2889	2902	2909	2917
3001	3008	3016	3073	3113	3130	3144	3144	3151	3162
3176	3184	3231	3228	3245	3252	3259	3269	3277	3285
3306	3365	3362	3369	3376	3385	3431	3368	3687	3905
3919	3943	4056	4014	4040	4040	4040	4040	4040	4040
4771	4782	4790	4787	5141	5141	5140	5286	5496	5503
5813	5920	5927	5933	5842	5849	5958	5958	5959	5721
5921	5995	5992	5998	5998	5998	6001	6010	6019	6026
6068	6096	6128	6141	6151	6178	6188	6188	6188	6382
6346	6352	6759	6788	6774	6781	6888	6885	7474	7480
7458	7495	7552	7658	7657	7673	7631	7679	7697	7633
7858	7824	7830	7830	7824	8046	8046	8078	8078	8098
8096	8104	8115	8122	8129	8135	8144	8190	8157	8165
8172	8179	8187	8193	8201	8208	8266	8294	8387	8419
8512	8548	8528	8528	8528	8528	8528	8528	8528	8528
8771	8782	8790	8787	8787	8787	8787	8787	8787	8787
8913	8920	8927	8933	8942	8942	8942	8942	8942	8942
8968	8996	9028	9041	9051	9051	9051	9051	9051	9051
9346	9352	9759	9788	9774	9781	9888	9885	9744	9740
9758	9795	9752	9758	9757	9757	9757	9757	9757	9757
9858	9814	9815	9822	9829	9835	9844	9810	9817	9815
9872	9879	9887	9893	9901	9908	9966	9994	9173	9170
9921	9928	9936	9943	9951	9958	9966	9942	9948	9956
9963	9970	10186	10277	10278	10278	10278	10278	10278	10278
10621	10737	11023	11030	11463	11469	11476	11701	11609	11659
11857	11704	11712	11719	11707	11769	11781	11782	11791	11797
12011	12017	12024	12031	12038	12045	12052	12059	12066	12073
12047	12055	12063	12070	12077	12084	12091	12098	12105	12112
12120	12127	12134	12141	12148	12155	12162	12169	12176	12183
12204	12211	12218	12225	12232	12239	12246	12253	12260	12267
12273	12280	12287	12294	12301	12308	12315	12322	12329	12336
12343	12350	12357	12364	12371	12378	12385	12392	12399	12406
12421	12428	12435	12442	12449	12456	12463	12470	12477	12484
12492	12499	12506	12513	12520	12527	12534	12541	12548	12555
12581	12588	12595	12602	12609	12616	12623	12630	12637	12644
12673	12680	12687	12694	12701	12708	12715	12722	12729	12736
12765	12772	12779	12786	12793	12800	12807	12814	12821	12828
12857	12864	12871	12878	12885	12892	12899	12906	12913	12920
12952	12959	12966	12973	12980	12987	12994	13001	13008	13015
13050	13057	13064	13071	13078	13085	13092	13099	13106	13113
13151	13158	13165	13172	13179	13186	13193	13200	13207	13214
13255	13262	13269	13276	13283	13290	13297	13304	13311	13318
13362	13369	13376	13383	13390	13397	13404	13411	13418	13425
13472	13479	13486	13493	13500	13507	13514	13521	13528	13535
13581	13588	13595	13602	13609	13616	13623	13630	13637	13644
13693	13700	13707	13714	13721	13728	13735	13742	13749	13756
13806	13813	13820	13827	13834	13841	13848	13855	13862	13869
13922	13929	13936	13943	13950	13957	13964	13971	13978	13985
14031	14038	14045	14052	14059	14066	14073	14080	14087	14094
14150	14157	14164	14171	14178	14185	14192	14199	14206	14213
14282	14289	14296	14303	14310	14317	14324	14331	14338	14345
14394	14401	14408	14415	14422	14429	14436	14443	14450	14457
14529	14536	14543	14550	14557	14564	14571	14578	14585	14592
14664	14671	14678	14685	14692	14699	14706	14713	14720	14727
14781	14788	14795	14802	14809	14816	14823	14830	14837	14844
14893	14900	14907	14914	14921	14928	14935	14942	14949	14956
15017	15024	15031	15038	15045	15052	15059	15066	15073	15080
15141	15148	15155	15162	15169	15176	15183	15190	15197	15204
15278	15285	15292	15299	15306	15313	15320	15327	15334	15341
15415	15422	15429	15436	15443	15450	15457	15464	15471	15478
15554	15561	15568	15575	15582	15589	15596	15603	15610	15617
15696	15703	15710	15717	15724	15731	15738	15745	15752	15759
15847	15854	15861	15868	15875	15882	15889	15896	15903	15910
15992	16000	16007	16014	16021	16028	16035	16042	16049	16056
16141	16148	16155	16162	16169	16176	16183	16190	16197	16204
16293	16300	16307	16314	16321	16328	16335	16342	16349	16356
16447	16454	16461	16468	16475	16482	16489	16496	16503	16510
16601	16608	16615	16622	16629	16636	16643	16650	16657	16664
16768	16775	16782	16789	16796	16803	16810	16817	16824	16831
16936	16943	16950	16957	16964	16971	16978	16985	16992	16999
17088	17095	17102	17109	17116	17123	17130	17137	17144	17151
17253	17260	17267	17274	17281	17288	17295	17302	17309	17316
17421	17428	17435	17442	17449	17456	17463	17470	17477	17484
17592	17599	17606	17613	17620	17627	17634	17641	17648	17655
17761	17768	17775	17782	17789	17796	17803	17810	17817	17824
17956	17963	17970	17977	17984	17991	17998	18005	18012	18019
18170	18177	18184	18191	18198	18205	18212	18219	18226	18233
18398	18405	18412	18419	18426	18433	18440	18447	18454	18461
18571	18578	18585	18592	18599	18606	18613	18620	18627	18634
18768	18775	18782	18789	18796	18803	18810	18817	18824	18831

FINANCE
n-Electronics

UK COMPANY NEWS

Gomme brothers instigate buy out at 87p per share

BY DAVID GOODHART

Gomme Holdings, the maker of G-Plan furniture, has become the latest intended subject of a management-run institutional buy-out which values the company at £1.9m.

The buy-out plan was instigated by Mr Leslie Gomme, the current chairman, and his brother, Mr Geoffrey Gomme, a non-executive director, who are reaching retirement age and want to realise their approximate 30 per cent family holding.

Mr Peter St George, of Hill Samuel merchant banking, was also involved in the Molins deal as a financial adviser to the board-stressed yesterday that while support for the 170p Molins offer had been only half-hearted in the Gomme Holdings advisers, Morgan Grenfell, were wholeheartedly supporting the present deal.

London & Clydeside falls to £1.7m

Reflecting the inclusion last year of a £1.23m exceptional credit relating to land sales, profits of London & Clydeside Holdings were down from £2.9m to £1.65m at the pre-tax level for the year to end-September 1985.

There was an exceptional debit of £28,000 this time, being mainly the interest penalty on the previous year's land sales. Prior to the exceptional items, profits of £1.93m were reported, housebuilder and property developer fell from £1.76m to £1.67m. Turnover for the year amounted to £12.44m (£10.7m).

Had the skies been bluer, profits might have been about £300,000 higher. Further, early planning permission for Swinton resulted in a delay of nearly six months on construction in Edinburgh, while in Aberdeen the house market as a whole was poor, stemming from a lack of confidence in the North Sea oil market.

Body Shop leaps 85% to near £2m mark

Trade has continued to move ahead very strongly at all levels of Body Shop's international, the natural cosmetic products concern. This enabled the group to lift pre-tax profits by 85 per cent from £1.04m to £1.93m in the year ending July 26 1985, against £4.91m.

The directors report that since September sales have exceeded expectations, both in the UK and abroad. The buoyant Christmas sales have underpinned what, they say, looks like another year of continued strong progress.

David Lascelles takes a look at the rapid expansion of MAI Rolling along the takeover trail



Mr Clive Hollick, chief executive of MAI

MAI, as Mills & Allen International is now called, is fast becoming one of the UK's least widely definable companies. The Pearl & Dean, the cinema advertising company, 'To the City' is Guy Butler, the money and foreign exchange brokers; to Wall Street, Gintelec and Garban, the US securities brokers.

It is something else again to people who research the US magazine and retailing market. Now, this acquisitive and diverse group—while 10 years ago consisted of little more than a poster company and the near-functive Vavasseur frings banking group—also moving in determined fashion into the personal financial services business.

broking, it has built up an impressive global network of companies which trade a wide range of securities and currencies in all the world's major financial markets. This growth has come both through acquisition. Like last year's purchase of Gintelec for £20m, and a joint venture with Ueda Tanishi, one of Japan's largest money brokers.

by new companies using modern marketing techniques and a few simple, well-designed products. The public's appetite for financial services is growing," he said yesterday. "They can be retained like any other product."

Continental Group Overseas Finance N.V. 9% Guaranteed Notes Due July 1, 1986

NOTICE IS HEREBY GIVEN that pursuant to Article Three of the Indenture dated as of July 1, 1979, as supplemented, (the "Indenture") among Continental Group Overseas Finance N.V. (the "Company"), KMI Continental Inc. (successor by merger to The Continental Group, Inc.) (the "Guarantor"), and Morgan Guaranty Trust Company of New York, as Trustee, under which the Company issued its 9% Guaranteed Notes due July 1, 1986 (the "Notes"), the Company has elected to and shall redeem on February 14, 1986 (the "Redemption Date") all of the outstanding Notes at a redemption price of 100% of the principal amount thereof (the "Redemption Price") plus accrued interest from July 1, 1985 to the Redemption Date in the amount of \$56.62 for each \$1,000 principal amount of Notes.

The Notes shall become due and payable on the Redemption Date at the Redemption Price plus accrued interest which shall be paid upon presentation and surrender of the Notes together with all coupons thereto appertaining maturing after the Redemption Date at the paying agents listed below. The Notes will no longer be outstanding after the Redemption Date and interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void.

Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made at the office of the paying agent within the United States or by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 28% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number as IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50.00. Please therefore provide the appropriate certification when presenting your securities for payment.

PAYING AGENTS
Morgan Guaranty Trust Company of New York
Corporate Trust Office
30 West Broadway
New York, New York 10015

CHATSWORTH MANAGEMENT SERVICES LIMITED announces the establishment of the BRYCOURT INCOME GROWTH FUND an authorised unit trust TRUSTEE: National Westminster Bank PLC MANAGERS: Brycourt Unit Trust Management Limited a wholly owned subsidiary of Chatsworth Management Services Limited

MSI keeps up recovery with £1.24m halfway

THE RECOVERY shown by MSI International in the second half of last year has continued into the first six months ended October 31 1985, and the company is resuming interim dividends with 0.5p net.

Westpool lifts profits 22%

WESTPOOL Investment Trust reported further rationalisation of its investments, leaving it with substantial stakes in a limited number of companies.

Ernest Jones confident as profits rise 14.5%

Ernest Jones (Jewellers) has lifted its 1985 interim dividend to 2.5p, a 14.5 per cent increase on the 2.2p paid in the year ended September 28 1985.

BOARD MEETINGS
The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are ordinary or final or whether the sub-divisions shown below are based mainly on last year's timetable.

FUTURE DATES
Interim: Biochemique Investments Jan 20
Bogod-Peteh Jan 16
Canoverm Jan 16
Fames Property Investment Jan 23
Meat Trade Suppliers Jan 28
Merz House Jan 28
Protimeter Jan 17
Spafax Television Jan 30

Chem Chaff CHEMRING PLC (Registered in England No. 86662)

8,392,788 Convertible Cumulative Redeemable Preferred Ordinary Shares of 5p each issued by way of rights at £1 per share.

The Council of The Stock Exchange has admitted the above-mentioned Convertible Preferred Ordinary shares to the Official List. Copies of the listing particulars containing particulars of the Convertible Preferred Ordinary shares are available in the Exel Statistical Services and may be obtained during normal business hours from the Company Announcements Office, The Stock Exchange, London EC2 until 17th January, 1986 and on any weekday (Saturdays excepted) up to and including 29th January, 1986 from:-

Kleinwort, Benson Ltd., 20, Fenchurch Street, London, EC3P 3DB.
de Zoete & Bevan, 25, Finsbury Circus, London, EC2M 7EE.
Scrimgeour Vickers & Co., 20, Cophall Avenue, London, EC2R 7JS.

Countryside meets targets

In line with the forecasts made with the £7.5m rights in November, Countryside Properties has lifted its pre-tax profit from £2.21m to £2.53m in the year ended September 30 1985, and is paying a final dividend of 2.7p. This makes a total of 5.74p net on the old capital, against 5.04p.

Dividends Announced

Company	Current	Date of payment	Corro. of sp. of div.	Total	Total
Body Shop	1.5	—	1.5	3	1.5
Countryside Properties	2.71	April 10	2.22	5.74	5.04
Fleming Claverhouse	7.4	March 4	6.2	13.15	8.7
Howard	3.15	March 4	4.82	7.2	6.64
Jersey Electricity	11.1	—	11	15	15.4
Ernest Jones	2.5	April 1	2.5	5	2.9
London & Clydeside	3.5	April 8	1.5	5.5	1.5
MS Intl.	0.5	Mar. 8	nil	0.1	—
Palmerston Inv.	1.4	—	1.2	—	3.6
Park Food	1.4	—	1.2	—	3.6
Stead & Simpson	1.1	Feb. 21	1.1	—	3.3
Westpool Invest.	0.34	Mar. 8	0.34	—	1.52
Wiltworth's Food	1.32	—	—	—	—

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$1 stock. § Unquoted stock. † Makes 3.5p to date in respect of 18 month period. † Gross throughout.

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers
8 Lovat Lane London EC3R 8BP Telephone 01-621 1212

High	Low	Company	Price	Gross Yield	P/E	Fully
146	111	Ass. Brit. Ind. GILS...	118	10.0	8.3	7.2
191	121	Ass. Brit. Ind. GILS...	121	10.0	8.3	7.2
78	43	Alephron Group	78	6.4	9.1	11.7
108	108	Bardon Hill	108	4.0	2.5	20.6
108	108	Bardon Hill	108	4.0	2.5	20.6
201	42	Bry Technologies	55	3.9	7.1	8.7
152	97	CCL 11pc Conv. Pl.	97	16.7	18.2	—
138	138	Frederick Parker Group	138	11.0	8.8	3.2
94	83	Debonair 7.5pc Pl.	91	10.7	11.6	6.7
65	46	Debonair Services	65	7.0	12.6	5.7
12	12	Debonair Services	12	7.0	12.6	5.7
83	50	Georgia Blair	83	—	—	3.4
218	172	Ind. Praticion Castings	92	3.0	5.0	15.8
120	101	Jackson Group	120	5.5	4.5	9.1
227	141	Liquiphone Grp	227	15.0	8.5	9.4
95	86	James Burrough Spc Pl.	95	12.3	13.6	—
38	29	John Howard and Co.	38	6.0	7.0	5.8
710	570	Liquiphone Holding NV	710	15.0	16.7	—
62	52	Robert Jenkins	62	6.9	10.0	—
82	37	Scruttons	82	—	—	2.3
37	27	Torday and Curlew	37	6.0	7.4	7.7
320	220	Trevelin Holdings	320	4.3	1.2	18.5
42	35	Unilock Holdings	42	21.0	6.3	10.6
133	83	Walker Alexander	131	8.8	8.8	7.4
228	186	W. S. Yates	200	17.4	8.7	6.7

UK COMPANY NEWS

Guinness beats forecasts with 22% surge to £86m

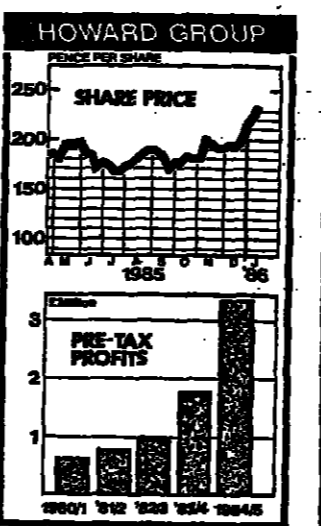
Guinness yesterday unveiled its results for the 1984-85 year which showed profits some £3m ahead of the forecast made at the time of the takeover bid for Arthur Bell.

The management of Glenageary Hotels, part of Guinness, is thought to be trying to raise funds to buy three of the group's four hotels including the Pinnacle in London, writes Mark Meredith. Guinness did not mention the possible sale in its 1985 results yesterday, but admitted that an intensive review is underway of its hotel interests.

coupled with the ability to find growth opportunities and to develop them rapidly into significant businesses. Pre-tax profits for the past year were struck after deducting exceptional debts of \$4m (same) and finance charges of \$13m (£7m adjusted). Associates added £17.7m (£16.5m).

Howard's 92% profit rise beats forecast

Howard Group, the holding company of two Lloyd's insurance brokers, has beaten by 20.4m the profit forecast made when it joined the Unlisted Securities Market last April.



of the US dollar income from the reworking of the policy exchange rate by its selling forward when appropriate. US earnings increased because of higher premium rates and greater volume.

Hard times in the insurance market have kept good times for Howard. Despite an acute shortage of underwriting capacity, Howard is managing to go on placing business, and has therefore felt the benefits of the great rise in rates.

Charles Batchelor on Ladbroke's proposed merger with Granada An increasing role for television

FROM March 10 a relaxation in Britain's gaming laws will allow Ladbroke and Britain's other bookmakers to instal television sets in their betting shops so the punters can watch the races as which they are putting their money.



Mr Cyril Stein (left), the Ladbroke chairman and Mr Alex Bernstein, the chairman of Granada.

Ladbroke announced proposals for an agreed merger with Granada Group, Britain's second largest TV rental company with 850 High Street outlets and a 20 per cent share of its market.

Ladbroke would also contribute a higher proportion of profits on the basis of the two groups' 1985 earnings. Brokers analysts are forecasting a 1985 pre-tax profit of about £75m for Ladbroke compared with Granada's declared profit of £64.4m in the year ended September 1985.

Burton's sales show 25% rise

Burton Group, the retailer, told its annual meeting yesterday that sales were currently 25 per cent ahead of the same period last year, excluding Debenhams, the department stores chain it acquired last August.

much potential as it had appeared to during the bid battle, but it would take two to three years to produce the kind of performance figures to which Burton was used to.

Debenhams, though BHS itself would not contribute to Debenhams' style at this stage. Burton is planning an asset disposal programme to reduce borrowings in the wake of the takeover. Debenhams has a stake in a Washington property, the Central Plaza development, which is up for sale and could realise over £10m for the group.

DCL statistics are meaningless - Argyll

MR JAMES GULLIVER, whose Argyll food group has made a £1.9m profit last year, yesterday said that Distillers' expected forecast of profits before tax for the year to March 1986 would have to be over 40 per cent to keep pace with inflation.

present activity. We want to see what his plans are for the future. A statement from Distillers last night said that Argyll's document contained no fresh arguments to support its current offer, which was below the value of Distillers' shares and placed no value on Distillers' international brands. The document continued to ignore the changes that have been made by Distillers since 1980.

Stead & Simpson static

Unseasonal weather affected the footwear trading side of Stead & Simpson in the half-year ending September 1985, and pre-tax profits emerge little changed at £2.49m, against £2.48m.

USM offer puts £46m market value on Wickes

Wickes, the building materials and home improvement products retailer, which announced its forthcoming flotation on the USM, is to offer 4.85m shares at 140p a share.

Belgium, but England is its main source of profit. Mr Henry Sweetbaum, chairman and chief executive, said yesterday that the two main purposes of the flotation were to finance future store development and to create a vehicle for employee participation.

Anti-tobacco protest at Hanson AGM

By Charles Batchelor HANSON TRUST, the industrial conglomerate which is bidding £1.8bn for Imperial Group, the tobacco giant, came under fire at yesterday's annual meeting from a small number of shareholders opposed to its handling involved cigarette making.

Lincroft Kilgour 17% higher

ALTHOUGH second-half profits showed only a marginal increase over last year, Lincroft Kilgour's share price rose 17 per cent to £1.94m, against £1.65m. Turnover rose 3 per cent to £7.93m to £7.17m.

Whitworth's profit passes £1m

IN ITS first year as a public company, Whitworth's Food Group has lifted its pre-tax profit by more than 50 per cent to £1.04m before exceptional income. Chairman and chief executive Mr Tim Holt says the increase for the year ending September 30 1985 includes the interest savings on the monies raised in the USM placing a year ago; but excluding this the profit before interest shows a rise of almost 16 per cent to £1.08m in a year of considerable difficulties for the sector, stemming from severe weather, crop surpluses and currency fluctuations.

Advertisement for Norsk Hydro a.s. Bonds due 1991. Includes details on bond value, interest rate, and list of subscribers.

Advertisement for Ladbroke Index. Includes details on index value and contact information.

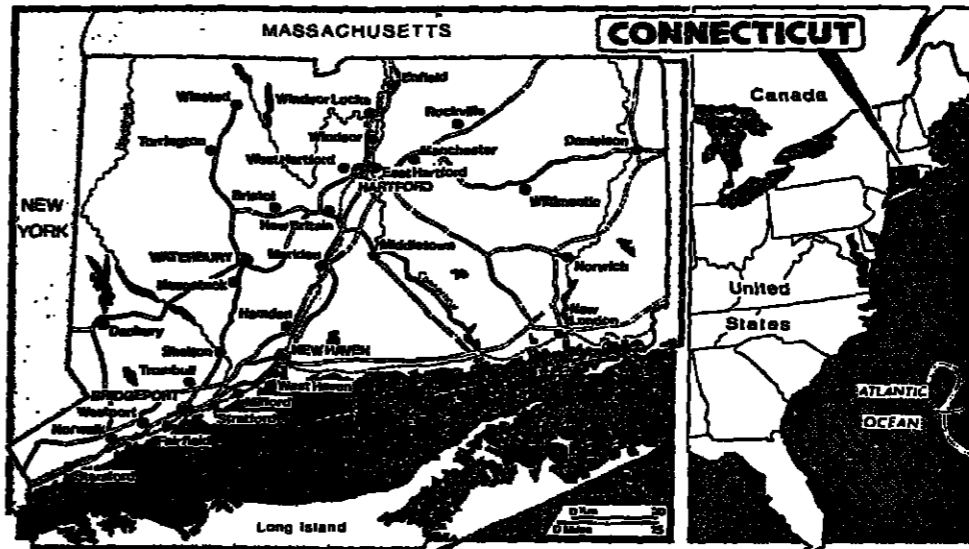
Advertisement for East Rand Consolidated P.L.C. and African Exploration Group. Includes details on shareholding and company information.

FINANCIAL TIMES SURVEY

Wednesday January 15 1986

Connecticut

The third-smallest state in the union, Connecticut in New England is among the richest. It had the good fortune, early in US history, to become an important financial centre. The city of Hartford is called the capital of US insurance.



The base for 50 top US companies

AMONG THE leading US corporations with headquarters in Connecticut are the following:

Company	Location
Aetna Life & Casualty	Hartford
Amex	Greenwich
American Can	Greenwich
Aveo	Greenwich
Bangor Punta	Greenwich
Champion International	Stamford
Chesbrough-Pond's	Greenwich
Combustion Eng.	Stamford
Connecticut Bank & Trust	Hartford
Connecticut Gen.	Hartford
Conoco	Stamford
Continental Grp.	Stamford
Dexter	Windsor Locks
Emhart	Farmington
General Electric	Fairfield
General Host	Stamford
General Reinsurance	Stamford
General Signal	Stamford
General Telephone & Electronics	Stamford
GK Technologies	Greenwich
Great Northern	Stamford
Nekoosa	Stamford
Hartford National	Hartford
Heublein	Farmington
Insteel	Meriden
Kennecott Copper	Stamford
Lone Star Industries	Greenwich
Moore McCormack	Stamford
Resource	Berlin
Northeast Utilities	Stamford
Olin	Stamford
Peabody Intnl.	Stamford
Perkin-Elmer	Stamford
Pitney-Bowes	Stamford
Fittston	Greenwich
Richardson-Vicks	Wilton
Scovill	Waterbury
Singer	Stamford
Southern New England	Stamford
Telephone	New Haven
Stanley Works	New Britain
Stauffer Chemical	Westport
Texasgulf	Stamford
Travelers	Hartford
Union Carbide	Danbury
Uniroval	Middletown
Utd. Technologies	Hartford
US Industries	Stamford
Warnaco	Bridgeport
Xerox	Stamford

A Puritan revival

By Christian Tyler

CONNECTICUT is often described as two states. One is the super-rich Connecticut of corporate headquarters, yachting marinas and country clubs, where a three-bedroom house (with double garage, naturally) costs \$185,000. The other state, the one that most people see, is old and battered, proud of its history and Puritan resilience and proud of the fact that it has emerged triumphantly from a black decade when people and companies were fleeing to the sunbelt states of the south.

Most of the populace of 3m live and work in a long urban and suburban corridor that runs from the boundary of New York City, along the so-called gold coast of Greenwich and Stamford, past the old armaments and engineering centre of Bridgeport to New Haven, home of Yale University, and on up the Connecticut River valley to the state capital of Hartford.

There are industrial centres outside this corridor, like Waterbury in the Naugatuck valley, the former brass capital of America, and New London, an old whaling port. The rest is mostly trees, scattered settlements of weatherboard houses and not very fertile farmland.

The prosperity of the new Connecticut has helped to keep this state—the third smallest in the US—among the very richest. Sharing in the general economic

revival of New England, Connecticut has managed for several years now to log a rate of unemployment well below the national average.

Founded by a dissident group of Puritans, Connecticut went its own conservative way. It is still conservative in attitude, though liberal in its politics. "Yankee ingenuity" is what the people of Connecticut claim for themselves, but there is a certain cussedness, too—for example, in the legislature's refusal to reform an antiquated tax system.

Variety

Among the state's better-known sons is Samuel Clemens (Mark Twain) who between 1874 and 1891 in Hartford (his house can be visited) wrote *Huckleberry Finn*, *Tom Sawyer*, *The Prince and the Pauper* and —of course—*A Connecticut Yankee in King Arthur's Court*. It was Mark Twain who famously described the New England weather as of sumptuous variety and dazzling uncertainty. "In the spring I have counted 136 kinds of weather inside of four and twenty hours," he wrote.

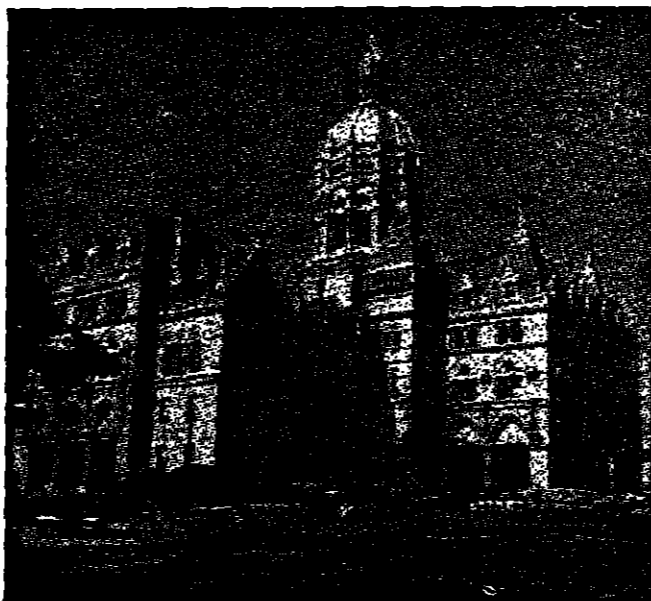
The state spawned an amazing variety, too, of industrial

products. A former editor of the *Hartford Post*, quoted by Prof David Roth in his excellent short history of the state, noted at the turn of the century how prolific were the state's factories: clocks, hats, pocket-knives, Yale keys, Winchester rifles, Colt revolvers, buttons, pipes, gas and electric fittings, bicycles, tyres, door bells, typewriters, gramophones and the ubiquitous sewing machine.

Connecticut developed the first modern submarine, and was the home of Charles Goodyear, a founder of the US rubber industry. Eli Whitney, although born in Massachusetts, invented the system of interchangeable parts in a firearms factory in New Haven, and so laid down the basis of modern production methods. He had already invented the cotton gin "and thus changed the course of both southern and American history," says Prof Roth.

Modern manufacturing in the state is dominated by metal-working, machinery and electrical equipment. These industries account for 70 per cent, or nearly twice the ratio for the US as a whole.

Aircraft engine building is the biggest manufacturing employer, with Pratt and Whitney (a subsidiary of the conglomerate, United Technologies) making military and civilian jet engines on four sites. General Dynamics makes nuclear sub-



Left: The State Capitol, Hartford. Connecticut treasures its history and reputation for ingenuity. It claims to be the birthplace of the submarine, the US insurance industry (see page 3), the shelf clock, the cylinder lock, and the industrial concept of mass-produced interchangeable parts—not to mention the hamburger, the lollipop and the pay-telephone.

\$325,000, according to one estimate) has given them fresh heart in New England.

Politically, the state should best be described as social democrat—a Republican in Connecticut is more liberal than a Democrat in Louisiana," says one businessman. The Republican party is enjoying a rare majority in both houses of the state legislature, under a Democrat governor, Mr William O'Neill. Economic policy is essentially bipartisan. That is despite the wave of "new Republicans" who were elected on President Reagan's coat-tails.

These new men, perhaps representing the "yuppie" element that is said to be so characteristic of the new Connecticut, are not expected to survive the Democrat challenge in state assembly elections this year.

"The key is that the governor and this administration have been consistent in trying to provide a fair climate for business," says Mr Ronald Gilrain, a vice-president of Stanley the worldwide hardware manufacturer. "They have retained business in Connecticut, despite the sabre-rattling of the legislature."

Some Republican voters are greatly disappointed, indeed, that the government has not seized the political opportunity, at a time of budget surpluses, to lighten the business tax burden and remove some of the traditionally high oncosts of employing labour. But the Governor has decided that falling educational standards, not

marine at Groton (currently in trouble with the Pentagon over its charges for defence contracts).

As a counterweight to this industrial exuberance, Connecticut had the good fortune to become, early in US history, an important centre for banking and insurance. Hartford calls itself the capital of the US insurance industry. The state is home to 73 insurance companies and 112 banks as well as 38 savings and loan associations.

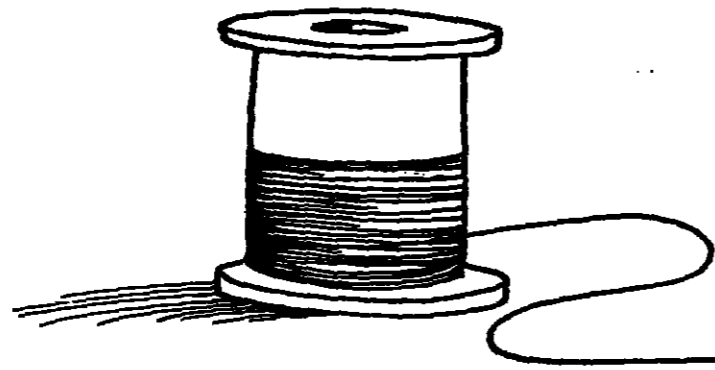
Financial, computer and other service industries have largely

filled the gap left by an inevitable decline in the output of manufacturing. Some areas, like Waterbury, once proclaimed industrially derelict have managed to switch from the mechanical to the electronic age. Nevertheless, the outward signs of industrial decay have by no means yet been obliterated.

A long industrial and financial history, as well as a cosmopolitan culture, has helped the state to attract a large number of foreign business in addition to those head offices that came as

the tax system, is the political issue of 1986.

* Connecticut: A History, by W. W. Norton and Co., New York.



Why a thread company in England chose a bank in Connecticut.

When an English thread company was looking for a bank to take care of its business in the U.S., it didn't want a financial plan patterned after any other.

So it chose The Connecticut Bank and Trust Company. Because we can tailor a wide array of financial services to fit even the most complex international banking needs.

In fact, CBT has helped more multinational corporations settle in the Northeastern United States than any other bank. Firms like a medical company from Germany, a steel company from Sweden, and an aluminium company from France. Doing everything for them from offering foreign exchange services and setting up payroll and credit lines to getting mortgages and credit cards for their employees.



And now we can do even more. Since CBT has become a part of the Bank of New England Corp., our international clients will have access to branch offices throughout the Northeast. As well as international capabilities in Hartford, Stamford, Boston, New York, Miami, São Paulo, and London.

So if your business is heading for the States, call CBT at (203) 244-4283. Or write our Multinational Division, The Connecticut Bank and Trust Company, 1 Constitution Plaza, Hartford, Connecticut 06115 USA, Telex: 681 3161 CBT MULTIHFD.

Like the thread company from England, you'll find we can custom-make the kind of financial plan that'll make your business here as successful as it is there.

When you're ready to demand more from a bank.

CONNECTICUT 2

PROFILE: WILLIAM O'NEILL, GOVERNOR OF CONNECTICUT

A career politician

"A HELL of a good Irish politician, whose only business experience is running a bar and grill." This is one businessman's description of Connecticut's Governor, Mr William O'Neill. Perhaps "career politician" would be the more neutral way of putting it.

Mr O'Neill, a Democrat from East Hampton, took over in 1981. He was deputy to Ella Grasso, the daughter of an Italian baker and the first woman to be elected governor in the US. With her resignation due to illness, Mr O'Neill had two years in the office before being elected in his own right in November 1982.

His administration—there is a rare Republican majority in the state legislature at present—is seen by the business community as broadly

supportive. Economic management in the state is said to be non-partisan. Democratic governments in the '60s and early '70s are blamed for doing little to prevent a flight of business from the state: the present administration is quite different, businessmen say.

Mr O'Neill, who can stand once again when his term expires later this year, has decided that education is the top priority for Connecticut. In the autumn he launched a "year of education," promising to upgrade the system from bottom to top.

He would like to see teachers' basic salary raised to £18,500 a year, but also institute a mechanism "to weed out those who cannot, or will not, meet the standards of excellence."

Children will have to work

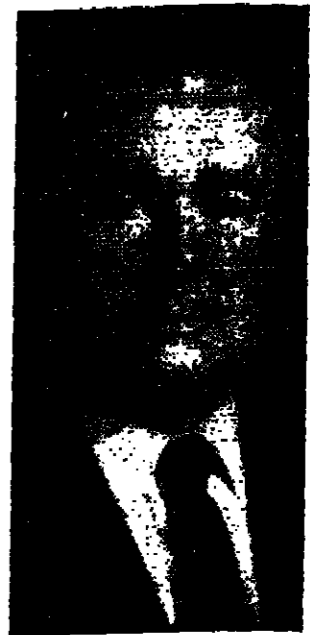
harder at school, and will be tested more often, says Mr O'Neill.

To pay for these improvements, the Governor says he will be putting a proposal before the state general assembly next month to increase the state's share of school funding from the present 41 per cent to 50 per cent. There will be more government money, but not more bureaucracy, he adds.

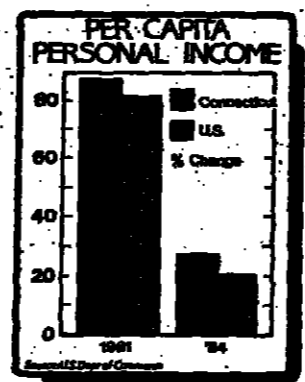
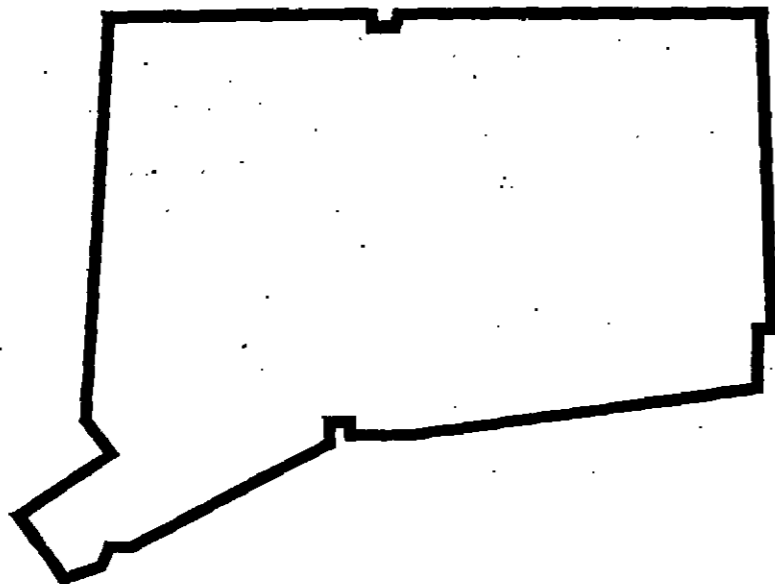
New 55 years old, Mr O'Neill was with the USAF in the Korean War. He reached the state House of Representatives in 1968 and was majority leader from 1975 to 1978, when he was elected governor of the state.

His wife Natalie (or "Nikki") Damon, from Massachusetts, is a schoolteacher.

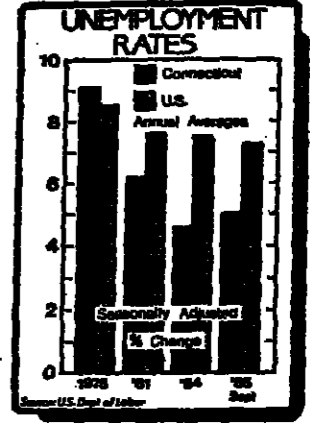
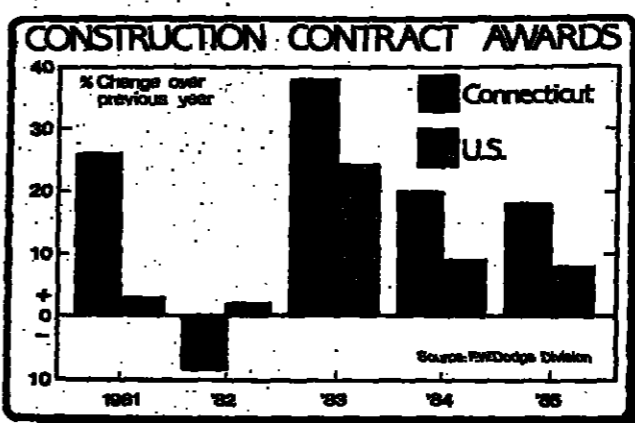
CHRISTIAN TYLER



William O'Neill, Connecticut's Governor: top priority for education



Average per capita income, '84: U.S. \$12,707; Connecticut, \$15,000.



This ad is for companies that don't recognize this as the shape of things to come.

Take a close look at the shape of Connecticut's economy and you'll like what you see.

You'll see a state whose economy is being called "one of the strongest in the nation." Where new construction activity is growing at twice the national rate. And where the work force is one of the most highly skilled and best educated in the U.S.

You'll see the shape of things to come—from our Economic Development Department... Things like investment incentives, development assistance and financing programs...

- Low cost working capital, venture capital and small business loans.
- Low cost, state subsidized, ready-to-build sites.
- Recruitment and job training assistance.
- And much more!

For details about how your company can reap the benefits of the economic state we're in, contact the State of Connecticut European Office, Schutzenstrasse 4, 6000 Frankfurt am Main 1, West Germany. Telex: 41 60 67 ctdoc d. Telephone: (069) 28 20 55/56. Facsimile: (069) 28 38 01.

**Connecticut, U.S.A. ...
The perfect climate for growing businesses.**

'We're in great shape'

The banking sector
PAUL TAYLOR

CONNECTICUT—and the New England economy of which it is a key part—has emerged as a testing ground for a crucial experiment in limited interstate banking in the US, a regional banking initiative which has been dubbed "The New England Experiment."

Last June the Supreme Court opened the merger floodgates in New England when it upheld the constitutionality of new laws passed by New England states which permit interstate banking among participating states, while excluding mergers involving institutions from other states—particularly New York.

In the wake of the Court decision, the banking landscape of New England and Connecticut is being redrawn by a series of interstate mergers which are creating a new group of "super-regionals"—bank holding companies with commercial banking operations in up to four states.

The Supreme Court decision was forced by a Citicorp challenge to the legality of Hartford-based Bancorp, a merger with the Bank of New England, a Massachusetts-based banking group. Five days after the court decision, CBT completed the merger. Since then, the CBT/Bank of New England deal has become a model for others.

The CBT/Bank of New England merger was a merger of equals, each a highly successful profitable banking group both with assets of over \$50m and individual complementary strengths.

Since then the combined group under CBT's former chairman, Mr Walter Connolly, has fleshed out its regional superbank strategy by acquiring two smaller banking units, Maine National and, most recently, Old Colony Bank of Providence, Rhode Island.

The new combined banking group, headquartered in Boston, now has assets of \$16.3bn, deposits of \$13bn and shareholders' equity of \$2.8bn, making it as one of the 30 largest in the nation.

Impact

But other mergers have also changed the shape of banking in Connecticut. In particular, Bank of Boston, the nation's 18th largest banking holding company, has acquired Colonial Bancorp, the fifth largest Connecticut banking group, based in Waterbury, as part of its growing inter-state empire.

Hartford National, parent of Connecticut National Bank and CBT's closest rival, particularly in the corporate market, has been rapidly expanding both in-state and across state boundaries.

After expanding its Connecticut branch system through a series of recent acquisitions, Hartford National has acquired Arlington Trust (Atru) of Massachusetts, opened a commercial bank in Rhode Island and most recently announced plans to acquire the Provident, a Boston-based Thrift, for \$78.75m.

As a result, Hartford National is emerging as another broad-based regional banking group with total assets of about \$9bn and almost \$800m in equity capital.

Meanwhile, First Connecticut



The commercial centre of Hartford, Connecticut: local banks believe they have an advantage over their larger rivals in New York City

A sampling of commercial banks

Bank (and main office)	Assets at 31/12/84	% change 1984 net on year	Income	% ch'ge on year
CBT Corporation (Hartford)*	6,882.0	+13	44.2	+29
Hartford National (Hartford)...	6,192.1	+11.2	58.6	+23
Northeast Bancorp (N. Haven)	1,974.0	+30	17.8	+3.8
Citytrust Bancorp (Bridgeport)	1,513.4	+14.3	14.3	+24.6
Colonial Bancorp (Waterbury)†	1,501.4	+18.7	10.6	+27.9
First Connecticut Bancorp (Hartford)‡	1,197.2	+16	13.1	+15

* Merged with Bank of New England June 1985. † Merged with Bank of Boston June 1985. ‡ Approved merger with Fleet Financial November 1985.

Research: Nivva Nachson.

Bancorp, the sixth largest banking group, has agreed to be acquired by Fleet Financial, Rhode Island's biggest banking group. Among the six largest Connecticut banks, only Bridgeport-based Citytrust Bancorp, a fierce competitor in the commercial market, and New Haven-based Northeast Bancorp have so far been left out of the merger boom.

Northeast Bancorp, which has been seeking a merger partner for about seven years, was to have been acquired by the Bank of New York ahead of the Supreme Court ruling.

Despite this frenzy of merger activity, Connecticut banks are emerging as linchpins in the new regional banking conglomerates while also managing to retain their individual identities moulded by the diverse high-technology manufacturing, trade and service-oriented Connecticut economy—strengthened by the expertise of their merger partners.

Indeed, the driving force behind the New England merger wave is a realisation that the increasing homogeneity of the New England marketplace provides new banking opportunities.

"With the speed-up of systems our natural market has expanded," explains Mr James McNally, president of CBT which retains its independent board characteristic pragmatic and market-orientated identity within the expanded regional holding company.

Banks such as CBT believe that their new merger partners will help them broaden and strengthen their earnings base—Bank of New England, for example, is an expert in wholesale and medium-sized asset-based lending and leasing—complementing CBT's strong retail, commercial and corporate banking businesses and creating an "even more rounded financial institution."

The opportunity to spread costs—over the years it will allow us to spread the cost of systems over a much larger base," says Mr McNally, a CBT veteran.

In fact, the large Connecticut banks, such as Hartford National and CBT, were the product of a wave of mergers of Connecticut community banks—even before interstate banking appeared on the horizon.

Through these mergers, both CBT and, more recently, Hartford National have built up sizeable local branch networks. CBT's 157-strong statewide retail branch network in particular has helped the group maintain strong core deposit growth over the years.

While the mergers have diluted CBT's still-impressive earnings results over the past five years, Mr McNally says bank acquisitions is now just about complete.

Accordingly, he expects the bank's return on equity to grow to around 18 per cent, up from 15 per cent in 1984, and return on assets to reach about 100 basis points compared to 0.74 per cent in 1984.

Thrifts deposits

The retail banking market in Connecticut is fiercely competitive. Aside from the other major local banking groups, some of the fiercest competition for retail deposits comes from small community banks, several large mutual banks and from the well-established savings and loan associations.

Connecticut is one of the few states in the US where thrifts deposits are larger in total than the commercial banks but that could be changing.

develop large and sophisticated trust and upscale personal banking operations.

Similarly, the solid base of business customers—including the major insurance companies—has led the major Connecticut banks to develop extensive commercial and investment banking services including specialised corporate processing services. The local Connecticut banks believe they have a special advantage over their larger rivals from New York City. They emphasise that their daily contact with senior executives from major Connecticut-based corporations—along with their provision of basic retail, payroll and other services to major corporate clients—results in the development of close relationships.

Now they are attempting to parlay this advantage—and their recently expanded balance sheets—into a larger slice of the wholesale banking business.

The new super-regionals which are now emerging in New England also have an increased capacity to service domestic clients abroad. For example, CBT's merger with Bank of New England has provided CBT's corporate customers with access to its services through the merged group's London office. Equally important, Connecticut banks, particularly CBT, have long courted foreign investors in the US.

CBT has developed a whole unit dedicated to attracting inward investment by foreign firms and then providing local banking services to these new customers. Mr Robert Sachs, a vice president in the bank's multinational group, has coined the term "reverse-investment" to describe this specialist market niche which has proved highly successful.

Among its clients the multinational group lists a growing number of West German, British and Scandinavian companies which have established subsidiaries in the state and which are now expanding their activities—and banking needs.

The result of this and other innovative moves is likely to ensure that the rapidly changing Connecticut banking market remains dynamic in the future. For the state's best-managed and most profitable banks—which have proven their ability to adapt to a rapidly changing environment and exploit particular market niches—the prospects appear good.

The New England Experiment has begun, and, as Mr McNally of CBT notes, "we are in great shape."

CONNECTICUT 3

Optimism in the insurance capital of the US

WHILE THE State of Connecticut might occasionally have difficulty getting its message across to the world at large, there can be few people in the financial services arena who do not think "insurance" when the name Hartford, Connecticut, is mentioned.

The insurance industry

BILL HALL

Mr Leo Connors, who heads the corporate banking operations of the Connecticut Bank and Trust Company in the Hartford area, says that there are 25 major insurance companies in the local area and notes that insurance related activities account for some 40 per cent of his corporate banking business.

all good stories the facts have got a little lost in the translation. The official version of the insurance association of Connecticut is that the Hartford insurance industry started in 1794.

1794. For four pounds a year he bought 800 pounds worth of insurance coverage for his "against fire, and all dangers of fire."

The big three local insurance companies, Aetna, The Travellers and Connecticut General (now part of Cigna) play a key role in the business affairs of the state and are an important source of capital with an estimated \$2.5bn invested in everything ranging from new offices to hospitals across the state.

14,000 people in the Hartford area. Connecticut General, which is big in life and health insurance, merged with the Philadelphia-based Ina Corporation, a big property and casualty insurer, in November 1981, forming Cigna Corporation.

Famous names

While these three companies are the biggest local employers there are several other insurers which deserve special mention. The most obvious is the Hartford, which is located in the city of Hartford.

managed reinsurers in the world. It managed to escape the heavy losses which some of its rivals suffered during the recent slump in the industry.

Great pride

"It is still the pride of Connecticut insurance people that in the great San Francisco earthquake and fire they met every claim," says the Insurance Association of Connecticut.

panies built their reputation for reliability on the back of scores of anecdotal stories. The official booklet of the local Insurance Association tells how one insurance company president drove his sleigh all the way from Hartford to New York in the dead of winter to pay claims for the great New York fire.

Continued importance

Leo Connors of the Connecticut Bank and Trust Company cites several reasons why insurance companies continue to thrive in the Hartford area. These range from a "very supportive legislature" to a well-trained workforce with "a good work ethic."

legal community. Aetna is a major investor in projects such as the Hartford Civic Centre and its interests even stretch to the sports arena where it has a majority interest in the Hartford Whalers ice hockey team.

There have been staff cutbacks

There have been staff cutbacks due to attrition, says Mr Joseph Martin of the Insurance Association of Connecticut, but in recent years the insurance workforce has been growing by between 500 and 1,500 people a year.

problems in the property and casualty insurance industry have "not had an impact on our growth to any significant degree," adds Mr Martin.

Defence proves a strength

The Economy

CHRISTIAN TYLER

DESPITE RAPID industrial change, the lure of the sunbelt states of the US and intensifying foreign competition, Connecticut has contrived not only to stay rich, but to keep growing.

and businessmen, too — will continue to encourage diversification: defence contracts are too large and unpredictable an element in the regional economy.

The economic success story is mirrored by the unemployment figures. For the past five years unemployment has been consistently below the national average. Today it stands at around 5 per cent compared with a US average of over 7 per cent.

spending in the past year. A big programme of road and bridge building, costing \$8bn-\$10bn over 10 years is under way.

Price levels

Property values in the favoured eastern areas of the state have been "exploding," according to the Connecticut National Bank vice-president and economist, Mr Peter Kozal.

family house costs \$118,000, which puts Connecticut fifth in the national league table.

Salaries

Industry is supporting a diverse lobby that wants higher salaries for teachers, with a statewide minimum. More controversially, it wants teachers' performance to be regularly assessed, and it wants to see people with a non-academic training to be allowed into the profession.

Call for tax reforms

The business environment

CHRISTIAN TYLER

TEN YEARS ago, businessmen in Connecticut were running television commercials against the economy. A man was seen standing in a patch of rubble, saying how bad things were in the state.

many employers would like to see wound up. As the second richest state in the Union in per capita income terms, and with budget surpluses under its belt, Connecticut appears to be better placed than most to encourage industry even further.

The cost of doing business in Connecticut is still high, and although the Government is no longer seen as anti-business there is a legacy of statutory obligations, progressive and liberal for the most part, that

increasing less quickly in the old industries however. The newer companies have had to pay more in order to attract the new skills that are in short supply in this old state.

Salaries

Industry is supporting a diverse lobby that wants higher salaries for teachers, with a statewide minimum. More controversially, it wants teachers' performance to be regularly assessed, and it wants to see people with a non-academic training to be allowed into the profession.

Although employers say they often have to go outside the State to find the technically-trained people they need, it is not difficult to attract the right recruits. They say Connecticut is the kind of place young people leave because it offers few excitements. But they come back again to marry and bring up their children.

Continued on next page

A SMALL BUT INTERESTING PART OF SCOTLAND'S \$2.7 TRILLION MARKET. As a vital part of both the UK and the EEC, Scotland's market for technology extends to France and thirteen other countries. Including Belgium, Italy, Holland, and West Germany. For a total of \$2.7 trillion per year in tariff-free trade.

STOCKTON associates. LOCATION CONSULTANTS assisting overseas companies to purchase or lease optimum sites in the U.S.A. WORLD TRADE CENTER leasing space in the World Trade Center of Hartford.

GENERAL SIGNAL CORPORATION. systems and equipment for telecommunications, semiconductor production, industrial automation, energy management and transportation. Our products enable a wide range of industries to improve the productivity of their operations and the quality of their products and services.

FT COMMERCIAL LAW REPORTS

Council not liable for builder's loss

INVESTORS IN INDUSTRY COMMERCIAL PROPERTIES LIMITED v DISTRICT COUNCIL OF SOUTH BEDFORDSHIRE AND OTHERS

Court of Appeal (Lord Justice Slade, Lord Justice Robert Goff and Sir John Megaw) December 20, 1985

THE DUTY of a local authority, when supervising building regulation work, is not to protect a builder from economic loss but to ensure that there will be no danger to the health and safety of occupiers and the public, and accordingly, an authority which passes inadequate foundations is not liable in damages to the builder, who having failed to comply with building regulations, has to demolish and rebuild due to settlement.

The Court of Appeal so held when allowing an appeal by the District Council of South Bedfordshire from a decision by Judge William Stubb QC, sitting as an official referee, that it was liable to property developer Investors in Industry Commercial Properties Ltd (formerly Anglia Commercial Properties Ltd) for loss arising out of inadequate foundations passed by the council.

Section 84(1) of the Public Health Act 1936 provides: "Where plans... are in accordance with building regulations, deposited with a local authority... if the plans are defective or show that the proposed work would contravene any of those regulations, they shall reject the plans."

Section 4(6) of the Public Health Act 1961: "If a person... fails to comply with... building regulations he shall be liable to a fine."

Regulation D3 of the Building Regulations 1972 (SI 1972 No. 817) provides: "The foundations of a building shall (a) safely sustain... the load in such a manner as not to cause any settlement or other movement."

LORD JUSTICE SLADE, giving the judgment of the court, said that in 1972 a site, which had formerly contained an exceptionally large pool, was acquired by a haulage contractor. He was granted planning permission to tip soil, hardcore and other material.

In August 1972 Anglia contracted to build the site. Anglia and its architects knew that levelling and retiling were going on. The council must also have known because it had given permission for tipping.

On November 15 1973 the council gave Anglia planning permission to build four warehouses on the site. On that date, before any design certificate or full working drawings of foundations had been supplied, it gave Anglia's architect written notice in pursuance of section 84 of the Public Health Act 1936 that the submitted plans had been "passed."

Anglia employed main contractors. Its structural engineers prepared a drawing showing foundation details. They sent a copy to the architects who said it appeared to be in order. The design provided for foundations at a depth of six feet.

When a proper soil investigation was subsequently carried out in June 1973, the depth of the fill was found to be some 30 to 40 feet, with a high ratio of voids. In fact, in December 1973, all interested parties appeared content. The structural engineers certified that all structural work on the foundations would conform to the current editions of British Standard Code of Practice 2004.

The relevant building regulations, Regulation D3, specified that the requirements which the foundations of a building must satisfy. An owner who personally or by his agents erected a building, was under a statutory duty to comply with them.

The all-important question was whether the council, in exercising its functions under the 1936 Act, owed a duty of care to Anglia as the building owner. In *Dutton* [1972] 1 QB 373 it was held that a local authority, in exercising its statutory power to inspect foundations under the Public Health Act 1936, owed a duty to the plaintiff who had bought the house from the owner-builder and was occupying it when serious defects in its internal structure developed.

In *Assis* [1978] AC 728 the House of Lords held the council was under a duty to the occupiers to take reasonable care to see that by-laws made pursuant to the 1936 Act were complied with. In *Dennis* [1983] 1 QB 409 the plaintiffs had commissioned a builder, but no architect or structural engineer, to construct a house for them on a site which consisted partly of unfilled sandpit. They successfully sued the local authority for negligence in passing plans indicating inadequate foundations.

In *Acresrest* [1983] QB 260, where the plaintiffs were the original owners of a house, the council was held to be liable for negligence in passing plans indicating inadequate foundations. In *Acresrest* [1983] QB 260, where the plaintiffs were the original owners of a house, the council was held to be liable for negligence in passing plans indicating inadequate foundations.

The legislation, in imposing on local authorities for the general protection of the public the relevant statutory obligations under section 84, could not have intended to protect a building developer such as Anglia against damage which he might suffer through his failure to comply with building regulations—or to entitle him to an indemnity from ratepayers against the consequences of such failure.

The council therefore, in considering whether to approve the plans and in its subsequent inspection, owed no duty of care to Anglia. The appeal was allowed.

For the council, Piers Ashworth QC and Andrew Brammer (Barclay, Lyde and Gilbert). For the developer, Stanley Bristow QC and Andrew Pugh (Bristow and Hunt, Rowford).

By Rachel Davies Barrister

THESE REPORTS will be published in volume form with the full texts of judgments. For details contact Kluwer Law Publishing, Africa House, 68 Kingsway, London WC2B 6BD. Tel. 01-831 0881.

APPOINTMENTS

Senior post at Burmah Oil

Mr Michael Jervis has been appointed chief executive of BURMAH'S liquefied natural gas (LNG) transport business. He will take up his appointment in London. He will follow Mr Dennis G. W. Allison in a planned succession which anticipates Mr Allison reaching Burmah's retirement age but also providing continuity with Burmah's LNG business, as senior vice president. Mr Jervis retired from Shell in June last year as vice president finance, Shell Sekiryu KK, and deputy chief executive of the Shell companies in Japan.

The Trade and Industry Secretary has reappointed Sir Gordon Borrie to be director-general of Fair Trading for a further five years from June 14.

Mr Warren Felsen will be joining MACLAINE WATSON & CO, on February 20, as managing director with responsibility for trading. He was president of Metal Traders Inc, in New York.

Mr Dennis C. Longwell, senior vice president and general manager of The Chase Manhattan Bank in London has been elected chairman of the AMERICAN BANKS ASSOCIATION IN LONDON.

Mr Robin Atkinson has been appointed divisional director, marketing operations, ESSO UK. He will be responsible for distribution terminals and truck operations in the UK and succeeds Mr David Leslie who has become commercial manager, supply, in Esso Europe Inc. Mr Atkinson was divisional director, industrial and wholesale, and will be succeeded in that post by Mr Rob Fisher, manager, industrial sales.

The appointment of Dr Brian Smith as chairman and chief executive of METAL BOX is being confirmed. This follows the announcement last April that Dr Smith would be succeeding Mr Dennis Allison on his retirement on December 31 1985. Dr Smith, deputy chairman of Metal Box since last July, was previously a director of ICI.

Mr Peter K. Stephens company secretary of JOHN WADDINGTON has been elected to the board. Mr Philip J. Brain has also been appointed to the board. He is in charge of plastic packaging and carton folding operations. The companies concerned are Plastona (John Waddington), Waddington Cartons and Comet Products Inc of Boston, US.

HENRY ANSBACHER & CO has appointed Mr Harry Samuel as a managing director in charge of its banking department. He was co-financing adviser to the

World Bank in Washington and prior to that was chief executive of Iran Investment Overseas Bank in London.

CAMERON RICHARD AND SMITH INSURANCE SERVICES has appointed Mr J. F. Jackman as company secretary.

Mr Graham K. Aslet, deputy chief actuary, has been appointed assistant general manager and deputy actuary of FRIENDS PROVIDENT LIFE OFFICE.

Mr David J. Williams, formerly of Guinness Peat Properties, has been appointed managing director of WESTMINSTER AND COUNTY PROPERTIES (KING STREET).

Mr Tony Schestinger, who has been managing director of SPUD U LIKE since January 1983 has become chairman. Mr Michael Perritt takes over as managing director with responsibility for sales development, director and Mr James Mallin, company operations director.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts with columns for Name, Investment Objective, and other details. Includes entries like British Shipley & Co Ltd, British Overseas Investment Trust, etc.

The Princess Alice Hospice advertisement with logo and contact information.

F.T. CROSSWORD PUZZLE No. 5922

Crossword puzzle grid with numbers 1-29.

Crossword puzzle clues and solutions. Includes 'ACROSS' and 'DOWN' sections with numbered clues and their corresponding answers.

AUTHORISED UNIT TRUSTS & INSURANCES

Company Name	Address	Contact	Product Name	Description
Olympia Fund Mgmt Ltd	45 Cannon St, London EC4A 3DF	01-236 3805	Olympia Bond	...
Stewart Unit Trust Mgmt Ltd	45 Cannon St, London EC4A 3DF	01-236 3805	Stewart Bond	...
San Alliance Fund Management Ltd	35 Abchurch Lane, London EC4A 3DF	0400 5441	San Alliance Bond	...
St. Life Trust Mgmt Ltd	107 Cheapside, London EC2N 4JF	01-236 6030	St. Life Bond	...
Swiss Life Pension, The Swiss Life Pension Co Ltd	100 Abchurch Lane, London EC4A 3DF	0725 4011	Swiss Life Bond	...
YBS Unit Trust Mgmt Ltd	100 Abchurch Lane, London EC4A 3DF	01-799 9111	YBS Bond	...
Baltic Assurance Funds	11 New Street, London EC2A 4TP	01-499 9999	Baltic Bond	...
Barclays Life Assn. Co Ltd	2nd Floor, 100 Abchurch Lane, London EC4A 3DF	01-536 5544	Barclays Bond	...
Credit & Commerce Life Assn. Ltd	130 Victoria Street, London EC2A 2JE	01-370 7070	Credit & Commerce Bond	...
Black Horse Life Assn. Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Black Horse Bond	...
British National Life Assurance Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	British National Bond	...
Equitable Life Assurance Society	130 Victoria Street, London EC2A 2JE	01-292 1111	Equitable Bond	...
Imperial Life Assurance Co of Canada	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Imperial Bond	...
Legal & General (UK) - Casult.	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Legal & General Bond	...
London Life Assurance Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	London Bond	...
Prudential Assurance Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Prudential Bond	...
Scottish Equitable Life Assn. Sec.	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Scottish Equitable Bond	...
Scottish Life Assn. Sec.	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Scottish Life Bond	...
Standard Life Assurance Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Standard Life Bond	...
Westminster Life Assurance Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Westminster Bond	...
Yorkshire Insurance Co Ltd	100 Abchurch Lane, London EC4A 3DF	01-499 9999	Yorkshire Bond	...

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and overseas funds, including Scottish Mutual Assurance Society, Sun Life of Canada, and others.

Table of financial data for various insurance and overseas funds, including Sun Life of Canada, Swiss Life, and others.

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Table of financial data for various insurance and overseas funds, including Sun Life of Canada, Swiss Life, and others.

OFFSHORE AND OVERSEAS

Table of financial data for offshore and overseas funds, including Sun Life of Canada, Swiss Life, and others.

OPTIONS

Table of financial data for options, including 3-month call rates and various market indicators.

Notes and additional information regarding the financial data and market conditions.

COMMODITIES AND AGRICULTURE

Jamaican bauxite output cut sharply

By Carole James in Kingston
JAMAICA'S BAUXITE output in 1985 fell to 6.14m tonnes, 30 per cent below 1984 output, according to the Jamaica Bauxite Institute...

Bank sues Tin Council

BY STEFAN WAGSTYL

THE INTERNATIONAL Tin Council, which yesterday started its latest emergency session on the three-month-old tin crisis, is being sued by one of its creditors...

UK farm incomes down 43%

BY ANDREW GOWERS

THE FULL extent of the damage wrought among UK farmers by last summer's poor weather was revealed yesterday when the publication of official figures showing that agricultural incomes fell by 43 per cent in 1985...

with half the votes on the ITC, indicated that they are willing to negotiate on the Newco plan...

UK farm incomes down 43%

The figures indicate that the gap between incomes from arable farming and livestock enterprises narrowed dramatically last year. This differential has been widening steadily over the past few years...

EEC cuts beef export prices

BY IVO DAWNAY IN BRUSSELS

THE FIRST in what is expected to be a flood of new measures to speed the disposal of EEC food surpluses was announced yesterday in the form of cuts in beef prices available to traders...

some irritation and concern from its competitors, not least Australia, Argentina and Canada. Farm Ministers of the EEC are expected to approve a new deal this week allowing an increase in the quota of so-called Hilton or high quality beef to be allowed into the Community market this year...

WEEKLY METALS

All prices as supplied by Metal Bulletin.
ANTIMONY: European free market, 99.6 per cent \$, per tonne, in warehouse, 2,730-2,780...

LONDON MARKETS

OVERNIGHT strength in New York and news that the Bank of England regarded a further increase in base lending rates as inappropriate helped to push copper values up further on the London Metal Exchange...

ALUMINIUM
Unofficial +/- or High/Low
2 per tonne
Cash: 2057-7.5-7.5

COFFEE
Higher grade/Unofficial +/- or High/Low
5 per 60 lb bag
Cash: 2100-4.2-4.2

LEAD
Unofficial +/- or High/Low
2 per tonne
Cash: 2375-8.4-8.4

NICKEL
Unofficial +/- or High/Low
2 per tonne
Cash: 2825-15-15

GOLD
Gold fell 5 1/2 ounces from Monday's close on the London market yesterday to finish at \$340.340...

SILVER
Silver was fixed 4.95p an ounce lower for current delivery on the London market yesterday at \$18.41p...

MEAT
Fresh buying interest pushed values higher despite unchanged physical prices, reports Europa Capital-CEI...

INDICES FINANCIAL TIMES

Jan. 14/Jan. 13 1986/Jan. 13 1985
REUTERS
Jan. 14/Jan. 13 1986/Jan. 13 1985

PRECIOUS METALS were generally steady awaiting fresh direction from financial markets, reports Heindel Commodities...

ALLIUMINUM 40,000 lb. cents/lb.
Jan 86.30 86.30 86.30
Feb 86.30 86.30 86.30

COTTON 50,000 lb. cents/lb.
Jan 52.75 52.75 52.75
Feb 52.75 52.75 52.75

SOYABEAN MEAL 100 tons, \$/ton
Jan 195.8 195.8 195.8
Feb 195.8 195.8 195.8

SOYABEAN MEAL 40,000 lb. cents/lb
Jan 225.00 225.00 225.00
Feb 225.00 225.00 225.00

SUGAR
LONDON DAILY PRICE-Raw sugar
3211.00 (24.00) down 85.50 (down 22.50)

JUTE
JUTE-Raw Jute/Feb c and f Dundee
575.50 BVC 575.50 BVC 575.50 BVC

US MARKETS

PRECIOUS METALS were generally steady awaiting fresh direction from financial markets, reports Heindel Commodities...

LIVE CATTLE 40,000 lb. cents/lb
Jan 67.58 67.58 67.58
Feb 67.58 67.58 67.58

LIVE HOGS 30,000 lb. cents/lb
Jan 61.25 61.25 61.25
Feb 61.25 61.25 61.25

SOYABEAN MEAL 100 tons, \$/ton
Jan 195.8 195.8 195.8
Feb 195.8 195.8 195.8

SOYABEAN MEAL 40,000 lb. cents/lb
Jan 225.00 225.00 225.00
Feb 225.00 225.00 225.00

SPOT PRICES-Chicago loose land
16.00 (same) cents per pound, hardy
and normal silver bullion 807.5 (805.0) cents per ounce...

WHEAT 100 tons, \$/ton
Jan 187.5 187.5 187.5
Feb 187.5 187.5 187.5

RUBBER
PHYSICALS-The London market opened slightly stronger, attracted good buying interest throughout the day...

Silver goes down market

BY STEFAN WAGSTYL

THE DECLINE of silver prices over the last two years has called into question its status as a precious metal. Watching the price fall to under \$6 and under \$4 an ounce - its lowest levels since 1922 - some traders wondered whether silver was losing its traditional lustre...

But the price rise drove silver consumers in photography, jewellery and other industries to cut silver consumption. As a result, even after the end of the recession of the early 1980s, silver consumption has only recovered to about 75 per cent of its peak in the early 1970s...

Higher, if the supply of new silver continues to grow unabated, at least supplies of recycled metal have fallen in response to the decline in demand for scrap metal...

But other traders say that although silver prices have fallen further than gold in the 1980s, the same basic factors have influenced both. They argue that the decline in inflation rates this decade has driven investors away from precious metals towards income-earning assets...

But other traders say that although silver prices have fallen further than gold in the 1980s, the same basic factors have influenced both. They argue that the decline in inflation rates this decade has driven investors away from precious metals towards income-earning assets...

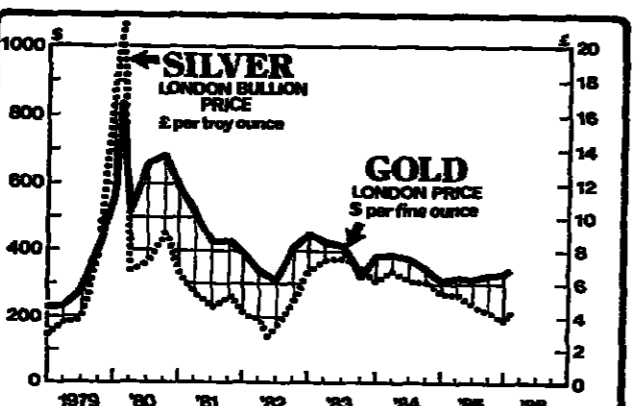


Table with columns: Month, Close, High, Low, Prev. Data for Orange Juice 15,000 lb. cents/lb.

Table with columns: Month, Close, High, Low, Prev. Data for Platinum 500g bar.

Table with columns: Month, Close, High, Low, Prev. Data for Silver 5,000 troy oz.

Table with columns: Month, Close, High, Low, Prev. Data for Live Cattle.

Table with columns: Month, Close, High, Low, Prev. Data for Live Hogs.

Table with columns: Month, Close, High, Low, Prev. Data for Soyabean Meal.

Table with columns: Month, Close, High, Low, Prev. Data for Wheat.

Table with columns: Month, Close, High, Low, Prev. Data for Rubber.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound retreats from early highs

Sterling fell back from early highs, reacting to a clear signal from the Bank of England that a further upward move in interest rates would be unwelcome.

£ IN NEW YORK

DM 2.4510 against the D-mark back to 126.4 at DM 2.4690 still up from DM 2.4685 on Monday.

FINANCIAL FUTURES Record trading

Trading touched record levels again on the London International Financial Futures Exchange yesterday, with three-month sterling deposit futures particularly active.

LONDON

Table with columns for 20-YEAR 12% NATIONAL GILT, 10% NATIONAL SHORT GILT, and US TREASURY BONDS. Includes high/low/close data for various instruments.

POUND SPOT—FORWARD AGAINST POUND

Table showing exchange rates for US, Canada, Belgium, Denmark, France, Germany, Italy, Japan, and Switzerland against the pound.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing exchange rates for UK, Ireland, Netherlands, Belgium, Denmark, France, Germany, Italy, Japan, and Switzerland against the dollar.

CURRENCY MOVEMENTS

Table showing percentage changes in exchange rates for various currencies like Sterling, U.S. dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table showing exchange rates for currencies like Argentina, Australia, Brazil, Finland, Hong Kong, etc.

CURRENCY FUTURES

Table showing futures prices for 10% National Short Gilt, 10% National Long Gilt, and US Treasury Bonds.

EXCHANGE CROSS RATES

Table showing cross rates between major currencies like £/\$, £/DM, £/FF, etc.

CURRENCY RATES

Table showing rates for EMS European Currency Unit Rates for various countries.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits like Sterling, U.S. Dollar, etc.

STERLING INDEX

Table showing the Sterling Index with high/low/close data for various periods.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for three and six months U.S. dollars.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries.

MONEY MARKETS

Interest rates were very volatile in nervous trading on the London money market yesterday, and in spite of moves by the Bank of England...

NEW YORK RATES

Table showing New York rates for Prime rate, Broker loans, Fed funds, etc.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

MONEY RATES

Table showing money rates for Frankfurt, Paris, Amsterdam, Tokyo, etc.

Trade futures \$18 round-trip commission. LIND-WALDOCK. Includes contact information and a logo.

ROLFE & NOLAN. Are financial futures a headache? Includes contact information and a logo.

FOREXTREND. The currency forecasting aid designed by Forextrend. Includes contact information.

CLASSIFIED ADVERTISEMENT RATES. From January 1, 1986. Includes a table of rates for various categories.

Province of Manitoba (CANADA) U.S. \$125,000.00. 8 3/4% Debentures due February 11, 1991 Series AV. Includes details about the debentures and contact information.

NOTICE OF PREPAYMENT. The Dai-ichi Kangyo Bank Limited. US\$50,000,000.00. Callible Negotiable Floating Rate Dollar Certificates of Deposit.

NOTICE OF PREPAYMENT. The Dai-ichi Kangyo Bank Limited. US\$20,000,000.00. Callible Negotiable Floating Rate Dollar Certificates of Deposit.

LONDON SHARE SERVICE

Table containing various financial data including BRITISH FUNDS, AMERICANS, and CANADIANS. It lists numerous fund names, their prices, and performance metrics.

BUILDING, TIMBER, ROADS - Cont.

Table listing companies in the Building, Timber, and Roads sectors, including names like Balfour Beatty, Bovis Lend Lease, and Price Waterhouse.

DRAPERY & STORES - Cont.

Table listing companies in the Drapery and Stores sectors, including names like Debenhams, Debenhams Group, and Debenhams Retail.

ELECTRICALS

Table listing companies in the Electricals sector, including names like British Telecom, British Telecommunications, and British Telecom Group.

CHEMICALS, PLASTICS

Table listing companies in the Chemicals and Plastics sectors, including names like ICI, ICI Chemicals, and ICI Chemicals Group.

DRAPERY AND STORES

Table listing companies in the Drapery and Stores sectors, including names like Debenhams, Debenhams Group, and Debenhams Retail.

BEERS, WINES & SPIRITS

Table listing companies in the Beers, Wines, and Spirits sectors, including names like Carlsberg, Carlsberg Group, and Carlsberg Breweries.

BUILDING, TIMBER, ROADS

Table listing companies in the Building, Timber, and Roads sectors, including names like Balfour Beatty, Bovis Lend Lease, and Price Waterhouse.

AMERICANS

Table listing American companies, including names like American Express, American Express Group, and American Express Company.

ENGINEERING - Continued

Table listing companies in the Engineering sector, including names like British Aerospace, British Aerospace Group, and British Aerospace plc.

INDUSTRIALS - Continued

Table listing companies in the Industrials sector, including names like British Petroleum, British Petroleum Group, and British Petroleum plc.

FOOD, GROCERIES, ETC

Table listing companies in the Food, Groceries, and Etc sectors, including names like Unilever, Unilever Group, and Unilever plc.

HOTELS AND CATERERS

Table listing companies in the Hotels and Caterers sectors, including names like British Hotels, British Hotels Group, and British Hotels plc.

ENGINEERING

Table listing companies in the Engineering sector, including names like British Aerospace, British Aerospace Group, and British Aerospace plc.

INDUSTRIALS (Miscellaneous)

Table listing miscellaneous industrial companies, including names like British Petroleum, British Petroleum Group, and British Petroleum plc.

INDUSTRIALS - Continued. Table listing various industrial stocks with columns for stock name, price, and other financial metrics.

LEISURE - Continued. Table listing leisure-related stocks such as hotels and entertainment venues.

PROPERTY - Continued. Table listing real estate and property-related stocks.

INVESTMENT TRUSTS - Cont. Table listing various investment trusts and funds.

FINANCE, LAND - Cont. Table listing financial and land-related stocks.

MINES - Continued. Table listing mining stocks from various regions.

MOTORS, AIRCRAFT TRADES. Table listing stocks in the automotive and aviation sectors.

Components. Table listing various component stocks.

SHIPPING. Table listing shipping and maritime-related stocks.

SHOES AND LEATHER. Table listing stocks in the footwear and leather goods industry.

OVERSEAS TRADERS. Table listing stocks of international trading companies.

PLANTATIONS. Table listing stocks of plantation companies.

NEWSPAPERS, PUBLISHERS. Table listing stocks of newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING. Table listing stocks in the paper, printing, and advertising sectors.

TEXTILES. Table listing stocks in the textile industry.

TOBACCO. Table listing tobacco-related stocks.

TRUSTS, FINANCE, LAND. Table listing various trust and financial stocks.

INSURANCES. Table listing insurance-related stocks.

PROPERTY. Table listing property-related stocks.

PROPERTY. Table listing property-related stocks.

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NOTES. A section containing various notices, disclaimers, and financial information regarding the data presented in the tables.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates
Option
*First Declara- Last Account
Dealings days Dealings Day
Dec 22 Jan 9 Jan 10 Jan 20

New interest rate scare makes for turbulent day in markets

Further heavy punishment was inflicted on an interest rate sensitive stock market yesterday as commercial money market rates continued to race ahead. Other factors, including Monday's good news about UK industry's raw material costs and Wall Street's late overnight recovery, were overshadowed by the threat of dearer money.

Temporary removal of the base rate scare brought a sharp rally but enthusiasm faded after announcement of last month's retail sales figure. A rise of only 0.3 per cent compared with forecasts ranging to 1.5 per cent and the market began to weaken again.

Insurance retreat
Insurance ended a volatile session with sharp falls. Sun Alliance was particularly vulnerable among Composites and lost 23 at 455p, while Royals relinquished 5 at 790p.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jan 14, Jan 13, Jan 10, Jan 6, Jan 7, and Year Ago. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, Earnings, P/E Ratio, Total Returns, and Equity Turnover.

HIGHS AND LOWS table with columns for 1985/86, Since Completion, and Indices. Rows include Govt. Secs, Fixed Int., Ordinary, and Gold Mines.

Gussey "A" down to 740p earlier, settled 8 cheaper at 750p. Dixons encountered small selling in a narrow market ahead of today's half-timer and closed 17 off at 885p, after 880p, while W. H. Smith "A" interim figures scheduled for January 29, fell 6 to 258p, after 254p.

Awaiting further developments in the bid situation, GEC and Plessey dropped 6 apiece to the common level of 185p. Other Electrical leaders also moved downwards.

Reports of an institutional visit to the company gave a fresh boost to British Benzol which gained 4 1/2 to 73 1/2.

Gar House ended similarly cheaper at 318p. Elsewhere, news of Milling's cash offer worth 87p per share left Gemme Holdings 2 1/2 higher at 83p. Manchester Ship Canal was also outstanding at 563p, up 61, after 550p.

Among Motor Components, Lucas fell 1 1/2 to 420p. Automotive Products dipped to 115p before rallying to 119p - a net loss of only 2, while Jones Woodhead up 5 on Monday following French Motor's recovery.

Leading Properties closed with minor losses having been sharply lower at the outset on Tuesday. The London & South Securities were only a penny off at 282p, after 276p, while BEPC settled 3 cheaper at 280p, also after 276p.

Final losses in the miscellaneous industrial leaders were relatively modest. However, reflecting a fresh shakeout in Stores, Boots met with persistent selling and touched 225p before staging a rally to close 7 off on the day at 251p. Trafal-

Lasmo loss ground
A further weakening in crude oil spot prices prompted a setback for Lasmo in the sector. The leaders did little more than drift in subdued trading with BR a couple of pence easier at 537p. LASMO

RECENT ISSUES

Table with columns for Issue, Price, and Stock. Lists various recent issues like Abbott Mead Vickers, Ashby (Laura) Sp., etc.

FIXED INTEREST STOCKS

Table with columns for Issue, Price, and Stock. Lists fixed interest stocks like Allied Nat. Props., Birt. Assets, etc.

RIGHTS OFFERS

Table with columns for Issue, Price, and Stock. Lists rights offers like Barram Group, East Rand Prop., etc.

NEW HIGHS AND LOWS FOR 1985/86

Table with columns for New Highs and Lows for 1985/86. Lists various stocks and their prices.

RISES AND FALLS YESTERDAY

Table with columns for Rises and Falls Yesterday. Lists various stocks and their price changes.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Equity Groups & Sub-sections, Index No., Day's Change, etc. Lists various equity groups like Capital Goods, Building, etc.

FIXED INTEREST

Table with columns for Prices, Indices, and British Government. Lists various fixed interest instruments and their yields.

*Flat yield. High and low rates, issue dates, values and commitment changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4A 3DF, price 25p, by post 28p.

YESTERDAY'S ACTIVE STOCKS

Table with columns for Stock, Price, and Change. Lists active stocks from yesterday.

MONDAY'S ACTIVE STOCKS

Table with columns for Stock, Price, and Change. Lists active stocks from Monday.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., Last, etc. Lists European options exchange data.

LONDON TRADED OPTIONS

Large table with columns for Option, Jan, Apr, July, etc. Lists London traded options for various stocks.

WORLD STOCK MARKETS

Main table containing stock market data for various countries including Austria, Germany, Norway, Australia, Japan, Canada, and indices. It lists stock prices, changes, and market performance metrics.

OVER-THE-COUNTER section listing Nasdaq national market data for 2,300 companies. Includes columns for stock name, price, and change.

NEW YORK and LONDON sections providing market data for major indices and currencies. Includes sections for 'NEW YORK' and 'LONDON' with various market indicators.

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Prices at 3pm, January 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock names, prices, and changes. Includes sub-sections like 'D D' and 'M M'.

Continued on Page 37

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for 12 Month High, Low, and Close. Includes sub-sections for 'Continued from Page 36' and 'S S S S S S'.

AMEX COMPOSITE PRICES

Prices as of 3pm, January 14

Table of AMEX Composite Prices listing various stocks with columns for 12 Month High, Low, and Close. Includes sub-sections for 'Continued from Page 36' and 'S S S S S S'.

OVER-THE-COUNTER

Table of Over-the-Counter prices listing various stocks with columns for 12 Month High, Low, and Close. Includes sub-sections for 'Continued from Page 36' and 'S S S S S S'.

Hand Delivery Service advertisement for Antwerp/Bruelles/Gent/Kortrijk, Leuven/Luxembourg, Belgium & Luxembourg. Includes contact information for Philippe de Norman.

